Journal of Supply Chain Management Systems
10 (3) 2021, 01-36
http://publishingindia.com/jscms/

Examining the Effect of Working and Living Conditions Sustainability Pillar on Certificate Achievement: The Case of Coffee Exporting Sector in Ethiopia

Fethiya Seid Hassen*, Dakito Alemu Kesto, Yibeltal Nigussie*****

**College of Business and Economics, Admas University, Addis Ababa, Ethiopia.*
Email: fethiyaseid22@gmail.com

***Assistant Professor of Finance, School of Commerce, College of Business and Economics, Addis Ababa University, Addis Ababa, Ethiopia. Email: dakito.alemu@aau.edu.et*

****School of Management Studies, Punjabi University, Patiala, Punjab, India.*
Email: yibie1985@gmail.com

Abstract

The objective of the study is to investigate the possible barriers to sustainable complying with the control points of working and living conditions under UTZ VSS and its impact on certificate achievement of the coffee exporters in a group of the coffee exporter and commercial farms of coffee exporters in southwestern Ethiopia. The researchers used descriptive statistics and inferential statistics such as measurement and structural models. The result shows that the internal management system, government authority, and certification scheme (CSs) monitoring system negatively affect working and living condition criteria compliances which in return lead to certification delay and extra cost for closing the non-conformities, in general, it affects the certificate Achievement of the coffee exporters, as a result, they can't deliver their product to the global market within the time frame. Internal management systems, government authority and CSs monitoring systems are important determinants and have a positive significant relationship with certificate achievement.

Keywords: UTZ Certification, Working Condition, Living Condition, Noncompliance, Certificate Achievement

JEL Codes:

- F55: International Institutional Arrangements
- J24: Human Capital • Skills • Occupational Choice • Labour Productivity
- J51: Trade Unions: Objectives, Structure, and Effects
- J54: Producer Cooperatives • Labour Managed Firms • Employee Ownership
- J81: Working Conditions

Introduction

Coffee is one of the world's most-traded commodities and a major foreign exchange earner in many developing countries, which is produced in more than 70 countries. An estimated 1.6 billion cups of coffee are drunk worldwide every day. Worldwide, over 125 million people depend on coffee for their livelihoods (Ponte, 2002; FLO, 2012). To penetrate the current global market computation is mandatory and to get this competitive advantage certification plays an essential role, because of its ability to increase product added value (Wahyudi et al., 2020). Despite a continuous demand growth, the ecosystem where the coffee is produced is faced with climate change which leads the price for global coffee to drop and in

return highly affect people's livelihood including hired labour operating in the sector, particularly from 1997 to 2003 the global coffee price dropped highly which that left many of producers and labour (market insecurity) in very hard condition (Osorio, 2002, 2004). This brings a new opportunity to emerge new initiatives that makes the coffee sector the first sustainable agricultural product in the world by different voluntary sustainability standards through promising to improve impact on the three sustainability pillars such as social, economic and environmental through different certification programs. UTZ voluntary sustainability standard was one of the new initiatives started in 1998 and officially launched in 2002 (Kuita & Waarts, 2014; UTZ, 2016).

In contrast to being a new initiative, UTZ-certified coffee has become stronger in several markets, for example, in the Netherlands, Germany, Italy, Switzerland, and the Nordic markets where the most important market for certified coffee in the world is Europe. Based on the global sales from producer to the first buyer for UTZ-certified coffee from 2016 to 2020 shows an increment of 120% from 321.419 MT (metric tons) of green coffee to 708.579 MT (metric tons) and between 2019 and 2020 shows 20% growth from 589.522 MT of green bean to 708.579 MT. In 2019 and 2020, 85 and 79% of the total UTZ-certified coffee production sold consists of Arabica Varity where most of the sales come from Brazil, Vietnam, and Honduras (CBI, 2020; RFA coffee certification data report, 2020).

In Ethiopia, coffee is the backbone of the economy and the leading export. According to the National Bank of Ethiopia 2019/20 Report (NBE), during 2017/18, 2018/19, 2019/20 coffee has a major exporting share with the value among the major exporting items in the country which is 29.6% worth 839 Million $, 28.7% worth 764.1 Million $, 28.6% worth 855.9 Million $ respectively. In Ethiopia, the voluntary certification standards implementation started in 2002, for UTZ Kapeh certification activities started in 2004 and in 2005–2006, five certificates were given for a total of area of 12.337 hectors in southwest Ethiopia highland, including planation, state-owned planation, semi-forest- owned and smallholder farmers' cooperative (Wiersum et al., 2008). In 2016, this has increased to 22,677 ha (Lernoud et al., 2018). In 2019 and 2020, out of 85 and 79% the market share of Arabica coffee Ethiopia took only 1.3 and 1.2% share, respectively (own calculations from raw data of CBI, 2019; RFA coffee certification data report, 2020), yet Ethiopia is the centre of origin for Arabica coffee and one of the top five coffee producing countries in the world which is in the fifth rank (Caro, 2020).

Even though there are several measures of coffee quality in the Ethiopian market place, according to Minten et al. (2014), certification is most importantly, which affects marketability and prices. Therefore, one of the main concerns of the coffee exporting sector is certification, since certification is often implemented to add value to a product (Jena et al., 2012). Working and living conditions (social criteria) is one of the major sustainability pillars of the VSSs, including UTZ-certification program that producers, traders, manufacturers, retailers, or service providers need to meet in order to be certified for the applicable VSSs, relating to a wide range of sustainability social pillar, including respect to better working conditions, basic human rights (workers right), worker health and safety (UNFSS, 2013; UTZ, 2015).

Certificate achievement is obtaining the certificate that allows to use the applicable voluntary sustainability certified seal (labelled) on the commodities that indicate the product produced under compliance or the compliance of the applicable standards of sustainability pillar such as social criteria (working and living conditions), economic and environmental requirements have been verified that differentiate the product from other products, which can be helpful to promote the product in different markets (Coulibaly & Liu, 2006; Rainforest Alliance Certified, 2020). Certificate achievement depends on the requirement compliance of the applicable standards. The certification decision is taken and a certificate can be achieved (issued) based on the conducted audit by the CB to determine the fulfillment of the requirements. If one or more non-conformities are found during a certification audit and corrective actions have not been implemented satisfactorily within the time frame or severe non-conformities (systemic failure of the IMS, violation of national laws, local laws or collective bargaining agreement) have been identified, the CB shall not grant the certification (UTZ certification protocol, 2018; RFA certification rule, 2020).

In recent years, the share of standard-compliant production has grown considerably, in the case of coffee compliant production grew from 15 to 40% between 2008 and 2012 (Defries, 2017). Similarly, based on the minimum areas at least 25.8% of the global coffee area being certified, which increased by almost 80% between 2011 and 2016 (Lernoud et al., 2018). The demand for VSS-consumer preferences in traditional markets compliant coffee is still growing, primarily due to and the growing prevalence of buyers' requirements for sourcing healthier and sustainably grown coffee, which can help deliver positive social and environmental outcomes and consumers in Germany and Finland are buying more VSS-compliant

coffee, leading the way in Europe (Voora et al., 2019; CBI, 2019). This leads the industry to face the challenges of complying with the requirements of the standards. UTZ is one of the most coffee certification standards, which is also has gained market prominence over the last 15 years (Bray & Neilson, 2017) and in order to obtain and maintain the certificate, producers or a firm shall receive the certification audit conducted by an independent third-party organization.

Even though certification audits and practitioners' or producers' capability to comply with criteria have a great role towards achieving the sustainability goals and for consumers to make informed buying decisions, many of the empirical literature focused on evaluating the impact of VSSs adoption on smallholder coffee producers livelihood assets shows that certification has either neutral or positive or mixed or negative impacts on the practitioners, and also gender, education and health care for workers on the certified entities, even though the working living condition have received less attention so far (e.g. Bray & Neilson, 2017 & Elliot, 2018. On the other hand, a study conducted by Akoyi et al. (2018) to investigate RFA and Fairtrade certification are prohibiting child labour enough and improve school attainment in Ethiopia and Uganda shows that Faire Trade certification increases the likelihood of children to be enrolled in secondary school and primary and secondary schooling efficiency, but RA certification has no impact on both school enrolment and schooling efficiency. Moreover, the certification has a positive impact on working and living condition sustainability pillar on certified commercial coffee farms (Regassa, 2017). However, these studies miss the causes for the criteria noncompliance (factors that affect working and living condition suitability pillar compliance performance) and the impact of the noncompliance on the certificate achievement.

Only a few studies were done on analyses of audits of working conditions or social criteria (such as Rajpaul et al., 2018). The previous study focused on examining how management criteria impact the ability of SAN/RFA coffee certified different-sized farms to meet certification's social performance requirements and was based methodologically only on external audit report analysis and the result shows management requirements play an important role in improving smallholders' overall social sustainability performance and group certification may help resource-poor smallholders. For example, Distelhorst et al. (2015) investigated how private initiative is effective to improve the poor working condition in the electronics industry (particularly, HP) and results shows that private regulatory to be effective requires complementary with local institute's. However, still, these studies did not examine the factors that cause the noncompliance of criteria of sustainability pillars and its impact on firm's certificate achievement. Therefore, this study is exclusively based on both audit findings of external audits and primary data from the certified coffee exporters under the UTZ certification program in order to fill this gap in the literature, and as per my best knowledge, this will be the first study which identifying the factors causes for the noncompliance's under social criteria and its impact on firm's certificate achievement.

Furthermore, the researcher also has an experience that some of the coffee exporters have been noncertified in the certification process because of their inability to fulfillment of the requirements especially under working and living condition criteria's and some others struggling to staying within the certification program. Moreover, the certification standards (i.e. UTZ) give attention and made a strong evaluation besides the normal auditing system on these social criteria in Ethiopia. For this reason, the researchers were motivated to identify the causes for noncompliance (factor that affect) the working and living condition sustainability pillar compliance performance, and the impact of these working and living condition sustainability compliance performance on the certificate achievement of coffee exporters under group and commercial farms in southwestern part of Ethiopia. The researchers strongly believe that these studies would contribute enormous advantages for similar coffee exporters who are facing the challenge with obtaining the certificate due to frequently occurrence of the noncompliance. From this research outcome, there would be a continual actual stronger performance of complying with the social criteria that would be advantageous for the certificate holders and their employees. Hence, the study answered the following research questions:

- What are the noncompliances that existed in coffee exporting sector toward the living and working condition sustainability pillar criteria?
- What are the factors that affect the working and living condition criteria compliance performance that existed in various coffee exporting sectors?
- What are the impacts of working and living condition criteria compliance performance on the certificate achievement of the coffee exporters during certification process?
- What should be done for the consistent implementation of the criteria so as to bring a sustainable meaningful change to the certification process and get the certificate with in time frame?

LITERATURE REVIEW

Early certification programs were based on eco-labelling to distinguish products that excelled in terms of the environmental sustainability of their production, organic certification was the single most important agricultural CS up to late 1980. But in the 1990s, growing concerns over food safety, workers' rights, deforestation and farmers' livelihoods led to a substantial number of new certification initiatives (Kuita & Waarts, 2014; Potts et al., 2014). Certification schemes (CSs) set voluntary standards and monitor their compliance (through independent auditors) to make agricultural production socially sustainable and agricultural trade fairer for producers and workers (Oya et al., 2017). Over the last several decades, voluntary certification programs have become a key approach to promote sustainable supply chains for agricultural commodities (including coffee) and these programs provide premiums and other benefits to producers for adhering to environmental and labour practices established by the certifying entities (DeFries et al., 2017). In fact, prices have since then improved but are still exposed to high volatility. Voluntary sustainability certifications verify that goods produced in the global South are produced per a set of standards that may require specific agricultural practices, such as the prohibition of certain pesticides; or social practices, such as minimum wages; or management practices, such as the maintenance of farm records (Snider et al., 2016). VSSs are standards developed at local, national or international levels by organizations from the public and the private sectors on environmental and social improvements. In the agricultural sector, VSS promote sustainability along the value chain. They define the criteria to be met by the certified organization or producers, traders, manufacturers, retailers or service providers may be asked to meet product, often resulting in an identifiable label or consumers (FAO, 2017). Certification is a reference to one piece of a standard system, the assurance process and to one particularly approach to assuring that product are actually produced in accordance with the standard (Komives & Jackson, 2014). According to Bray and Neilson (2017) certification, the broad family of voluntary standards set by third-party organizations, against which producers are independently audited and certified (or verified in some cases), the most common third part coffee voluntary standards are Fair trade, Certified Organic, UTZ, and Rainforest Alliance. The supplier provides a certificate serving as a quality signal that is issued by a neutral certifier based on the quality and certification standards laid down by the scheme owner (Albersmeier et al., 2009). Certifiers, in turn, have to prove their ability to carry out inspections according to these rules through an accreditation (Luning et al., 2002). This accreditation is usually given on the basis of the ISO 65/EN 45011 standard, which includes general requirements for assessment and accreditation of certification bodies. Basically, all certification systems have a similar structure. The starting point for the auditing process is the relationship between the producer and the customer (consumer or institutional buyer) (see Fig. 1). The certification standards set the certification option based on the type of the member or producers where the code of conduct or requirement be complied with, who is responsible for compliance, and how the sample for the certification audit shall be determined. The most common type of certification option is individual, multisite and group certification.

Working and Living Conditions (Social Criteria) under Other CSs

Voluntary standards vary widely in their objectives and scope. Some standards address a single commodity while others apply to dozens of products. Standards also have various objectives, such as protecting social rights, ensuring a minimum price, conserving the environment, promoting good agricultural practices, regulating supply or ensuring food security (ITC, 2010). Among the most common coffee voluntary certification standards, encompasses working condition or labour issues required to meet by the producer or anyone who wants to be certified such as Fairtrade certification standards, it prohibits forced and child labour, it also requires the social premium by coffee buyers to producer cooperatives or plantation workers, for investment in local social development (Fairtrade International, 2017). Some other standers such as 4C (Common Code for the Coffee Community) required positive outcomes to society, decent working and living condition for farmers and their families as well as employees. From Rainforest alliance, seeks to ensure protection for workers related to occupational health and safety, minimum living and wage, working hours, no worst form child and forced labour, housing condition, school attainment for school-age children, no discrimination (SAN, 2017). UTZ standards are grouped as the some of the standards that aim to strive to improve the live of workers and make sure that the right of all workers is respected (Oya et al., 2017).

UTZ was launched as a programme for responsibly grown coffee in 2002, initially under the name of UTZ Kapeh (meaning "good coffee" in the Guatemalan Mayan language of Quiché). The programme grew very quickly and established itself as the biggest sustainability scheme

for both coffee and cocoa. In 2007, the UTZ Kapeh name was changed to UTZ Certified to reflect this broader scope and UTZ certified almost a million farmers in 41 producing countries, producing a total of one and a half million tons of certified cocoa, 860,000 tons of certified coffee and 120,000 tons of certified tea. UTZ has more than 60 approved certifiers (certification bodies) which also operate for other standards and operating in cocoa and coffee producing countries and is a full member of global membership association for credible sustainability standards (Florentine et al., 2019; Emma et al., 2012; UTZ, 2016). In 2018, UTZ merged with Rainforest Alliance and the two programs still run in parallel. They combined their respective strengths in response to the critical challenges facing social inequity and creating a single agricultural sustainability standard to simplify the certification process, and continue to improve livelihoods for farmers and their workers (UTZ, 2016; Rainforest Alliance, 2019).

The producers and exporters who need to be certified or maintain the UTZ certificate and also the UTZ approved CB have to follow the certification process and conditions these are the new applicant first contact UTZ CSs, after getting the UTZ membership ID number, then contact the UTZ approved CB and sign agreement, then the CB provide to the member latest version of certification document and member is responsible to conducts self-assessment (internal inspection) and sends it to CB prior to the audit, together with additional documentation and the CB conduct pre-audit through reviewing the provided document to assess what actions still need to be taken before a certification audit is likely to be successful, then the CB agrees with the member and conduct the audit and then will take the certification decision based on the audit findings (UTZ certification protocol, 2018).

Working and Living Condition Suitability Pillar (Social Criteria)

Working conditions refers to the working environment and aspects of an employee's terms and conditions of employment. Thus covers such matter as organization of work and work activities; training, skill and employability; health,safety and well-being; working time, work life balance (Eurofound, 2011). Good working conditions contribute to the well-being of workers and the success of enterprises (Eurofound and ILO, 2019). Work is an intrinsic part of society and our everyday lives. Most people spend the majority of their waking hours working, and paid work, therefore, represents more than just the income it provides. It contributes to the quality of life both positively and negatively in part due to its fundamental role in influencing 'identity and social interactions' (Stiglitz et al., 2009). The UTZ-certification program is based on code of conduct consisting of four categories (blocks) representing the four pillars of sustainable agriculture these are Block 'A'. Management, Block 'B'. Farming, Block 'C'. Working, and Living Conditions and Block 'D'. Environment. Based on the level of priority and risk on the agricultural sustainability pillar of environment, economic and labour issues there are different types of control points these are Mandatory control point/critical criteria and additional control point/ extra points. In the UTZ program, the producers need to comply with a number of control points in order to become certified. Throughout the four years of the UTZ continuous improvement process, the number of control points to comply with increases, to encourage groups and group members to improve their practices. But farms and management or group administrators are required to comply with all applicable mandatory criteria at all time as a condition to grant or maintain the certificate and each criterion is evaluated as follows.

Working and living conditions is one of the major set of criteria that consists number of control points that needs to be met and Block 'A' Management (internal management system) that is the organization management or group administrator responsible for compliance with Block 'C' requirements in order to get the certificate or approval result in certification are listed as the UTZ control point numbering system, are the following: 1.A.7, 1.A.9, 1.A.11, 1.A.13, 1.A.14, 1.C.72, 1.C.73, 1.C.74, 1.C.75, 1.C.77, 1.C.78, 1. C.79, 1.C.80, 1. C.81, 1.C.82, 1.C.83, 1.C.84, 1.C.85, 1.C.86, 1.C.87, 1.C.89, 1.C.90, **1.C.91,** 1.C.92, 1.C.93, **1.C.94,** 1.C.95, 1.C.96, 1.C.97, 1.C.98, **1.C.99,** 1.C.100, 1.C.101, 1.C.102, 1.C.103, 1.C.104, 1.C.105, 1.C.106, 1.C.107, 1.C.108, **1.C.109** (see Table 1 given in Appendix 1). The control points in bold are extra points or control points in all certification years and the rest are mandatory control points (more details on these criteria may be found in "Appendix 2") and/or UTZ (Checklist-for-Individual-and/or group Code_v1.1_2017). The working and living condition suitability sustainability matrix composes of different criteria or control points where determine the compliance of working and living condition sustainability matrix required to be meet by the producers (practitioners) called workers' right set of criteria (composes of criteria from C.72 to 1.C.94 and Health and safety set of criteria compose of criteria form 1.C.95 to 1.C.109 and Management criteria (1.A.7, 9, 11) need to be complained toward fulfillment of working and living condition criteria including workers qualification (UTZ code of conduct checklist for individual, 2017).

According to' "Better working condition" dimension in the theory of change comprises the health and safety and workers' right and staff qualifications. Health and safety conditions at work can be understood to be a set of measures adopted to minimize accidents at work, occupational illnesses, as well as, protect the workers and their ability to work. Workers rights and staff qualification includes legal compliance with work contracts, overtime payment, freedom of association and the right to collective bargaining, as well as complying with the legal minimum wage and collective agreements with trade unions and skill and awareness development relevant for employees on their work. In general, better working and living dimension establishes the principles to be observed in the organization and work environment, to ensure the planning and running of different processing and farming activities comply with the rules on health and safety, workers right at work (Grüninger et al., 2015). The social and economic progress of working conditions, safety and health, skills or assurance of the compliance depends on the regular internal monitoring (management of the organization or the enterprises) (ILO, 2013; Wilson, 2019). The violations or noncomplying with private standard regulations of working conditions as a result of poorly institutionalized (governmental) settings lack the threat of state enforcement on the labour law and continuing salience of government (local institutions) in determining labour standards improvements at the national level and when both regulatory enforcement and local civil society are weak, private regulation lacks these outside resources to incentivize and support improvements and rigorously follow up and monitor their impact (Distelhorst et al., 2015; Elder et al., 2013; Oya et al., 2017). The producer's assurance of the compliance with any and all relevant laws and regulations is based on the internal management performance toward regularly internal audits. It can also help provide practitioners with peace of mind that they are prepared for their next unannounced audit. Actual regular internal monitoring is an important and worthwhile activity for gaining customer trust and avoiding costly fines associated with noncompliance. Today, regulators struggle to verify if a producer (manufacturer) is monitoring and verifying their different processes if they do not have the appropriate records available to them. Simply saying, "I do" is no longer enough to convince inspectors, customers or in worst cases, lawyers (Wilson, 2019).

The benefits from the voluntary sustainability standards that can be achieved through compliance may be extensive and justify the efforts required to obtain the certification. Institutional support can deliver improved outcomes for producers and exporters by helping them to both understand the advantages of voluntary standards and meet these standards. Auditors from the certification body visit facilities and an initial certification audit take place to assess compliance with the standard requirements. Data collected at the audit are the basis on which the certification body makes its decision. In case of compliance with requirements, a certificate is issued (ITC, 2010). Additionally**,** for effective implementation of the criteria's and achievement of the suitability goals the, the certification agencies should rigorously test and monitor their impact (Oya et al., 2017). The certifications' effectiveness depends largely on the national context in which they are implemented. For the effective criteria implementation and to achieve the applicable sustainability goals, the government and certification body should actively promote and work toward proper implementation; additionally, the government has to integrate and set policies at the national level regarding the coffee certification and requirements needed in the national level (Elder et al., 2013; Regassa, 2017). Many developing countries appear to possess strong regulations of labour, in practice, these states often lack the ability (Laffont & Tirole, 1993; Elliott & Freeman, 2003) or willingness (Bhagwati, 1995) to enforce their own laws. According to Distelhorst et al. (2015), the violations or noncomplying with private standard regulations of working conditions as a result of poorly institutionalized settings lack the threat of state enforcement on the labour law and continuing salience of government authority in determining labour standards improvements in the national level and when both regulatory enforcement and local civil society are weak, private regulation lacks these outside resources to incentivize and support improvements.

Certificate Achievement and UTZ Criteria Compliance on Working and Living Conditions

The certificate achievement is a written guarantee by an independent certification agency that the production process or the product complies with certain Standards established by certain organizations or countries (Coulibaly & Liu, 2006). The certification standards developed a certification process that includes procedure and conditions that the firm who need to be certified and the independent certifier has to follow (this available on the respective website of the standards). The initial certification audit is scheduled in advance so that management/group leadership can get all the documentation ready for examination. On-site visits to sampled producers or farm plots (on estates) are generally

scheduled with less notice (Elliott, 2018). Mandatory or critical criteria are required 100% compliance level for obtaining a certificate. An organization may be suspended, cancelled or warned for noncompliance with mandatory and/or with Standard certified (e.g. UTZ CERTIFIED) contractual agreements that result in prohibition of the use of the logo/trade mark, License/certificate (UTZ, 2009).

The audit that is announced to the member with short notice and conducted by a CB during the validity of a certificate. This is done in order to evaluate if the member still meets all applicable standard requirements and/or to evaluate the performance of the CB's auditor who conducted the last audit. The CB may decide to suspend a member's certificate for a period of up to 3 months, in case of minor deviations from the standards found outside of the (re)certification process. These deviations should not have an impact on the credibility of CS and/or the CB. Examples include minor non-conformities found during a surprise audit, failure to meet financial obligations to the CB or standard, or other administrative issues (UTZ, 2015). The certificate achievement depends on the requirement compliance of the applicable standards. If one or more non-conformities are found during a certification audit, the member shall implement a correction (to resolve the non-conformity) and a corrective action (to eliminate the root cause of the non-conformity and prevent it from reoccurring), before they may be certified has to wait until satisfactory closure of noncompliance that sometimes leads to delay with certificate. If the corrective actions have not been implemented satisfactorily within the agreed time frame described (12 weeks from the last day of the audit), or severe non-conformities (such as violation of national laws) have been identified, the CB shall not granted the certificate. If first time audit, the CB will not issue the certificate, in case the member still has the active certificate will decertify (UTZ certification protocol, 2018).

Most of the empirical researches has been carried out in the last years on Voluntary sustainability coffee certification standards focused on the assessment of the impact of certification on coffee growers in developing countries in the coffee sector, even though only little of studies look at the effect on working and living conditions such as Bray and Neilson (2017), which is empirical reviews that comprises 51 studies, they found only 8 studies that conducted on impact assessment on working and living conditions sustainability pillar, these are on Fairtrade, organic & Nescafe AAA standards and also most of these studies conducted on central America (e.g. Valkila, 2009; Valkila & Nygren, 2010; Ruben et al., 2009; Bacon et al., 2008; Blackman & Naranjo, 2012; Lyon et al., 2010), some on Latin America (e.g. Arnould et al., 2009), some on Africa (e.g. Jena et al., 2012, which is from Ethiopia). According to Elliot (2018), which is empirical reviews that comprises 84 studies, it consists of 6 studies conducted on impact assessment on working and living condition sustainability pillars on Fairtrade, UTZ, RFA, and 4C. Most of these studies were conducted in Latin America (Tuinstra & Deugd, n.d.;) Milder et al., 2015), some in South America (e.g. Garcia et al., 2015; Kuit et al., 2013), some on Asia (e.g. COSA, 2013) and some in Africa (e.g. SOAS, 2014; which is from Ethiopia and Uganda). These studies' findings under the above empirical reviews show working and living condition sustainability pillar has a positive and negative impact, which is mixed toward gender equality and livelihood improvement. However, all these empirical reviews are conducted based on the evidence from the different studies, including impacts on other sustainability pillars theses are economic and environment are only investigate the outcomes that obtained due to implementing voluntary coffee certification standards.

The study conducted by Rajpaul et al. (2018) on compliance with social criteria on SAN/RFA coffee certification and its implications for social equity in Brazil and find that the management has a great role in compliance performance on working and living conditions or social criteria for coffee producers based on the audit analysis of RFA certification audit reports. Distelhorst et al. (2015) conducted the study on the impact of private regulatory programs on improving the social labour or poor working condition in the electronics industry (particularly, HP) and the results show that private regulatory to be effective requires complementary with local institute's, additionally the reviles that the violations or noncomplying with private standard regulations of working condition as a result of poorly institutionalized (governmental) settings lack the threat of state enforcement on the labour law and continuing salience of government (local institutions) in determining labour standards improvements in the national level. The study conducted by Elder et al. (2013), Regassa (2017) and Oya et al. (2017) points out that for the effective criteria implementation and to achieve the applicable sustainability goals, the government and certification body should actively promote and work toward proper implementation, additionally the government has to integrate and set policies at the national level regarding the coffee certification and requirements needed in the national level and certification agencies should rigorously test and monitor their impact.

An important study performed by Bray and Neilson (2017), Elliott (2018), and Oya et al. (2017) review the evidence collected through different researches on the impact of adopting various sustainable coffee certification standards on smallholder farmers. Additionally, particular studies were conducted in Africa (Regasa, 2017; Akoyi, et al., 2018. Rajpaul et al., 2018) and China (Distelhorst et al., 2015). All these studies attempt to investigate whether the certification has benefit or impact on workers' livelihood and working condition improvement but no one investigates the causes for noncompliance (factor that affects) the working and living condition sustainability pillar compliance performance, and the impact of these working and living condition sustainability compliance performance on the certificate achievement (see Table 2 given in Appendix 1).

THEORETICAL MODEL AND HYPOTHESES DEVELOPMENT

The synthesis may be called a model or conceptual framework, which essentially represents an 'integrated' way of looking at the problem (Liehr & Smith, 1999). Such a model could then be used in place of a theoretical framework. Thus, a conceptual framework may be defined as an end result of bringing together a number of related concepts to explain or predict a given event, or give a broader understanding of the phenomenon of interest – or simply, of a research problem. Since the working living conditions criteria compliance is influenced by the management (IMS) of the Exporters of Group and Commercial coffee farms, government authority support and policies and the certification seams (CB) and the certificate achievement depend on the criteria compliance (working and living condition) were considered for this study based on UTZ suitability standards with the Ethiopian context. Fig. 2 shows both Independent and dependent variables. The models (depicts in Fig. 2) indicated determinates for criteria compliance i.e. internal management, CS & Government authority and certificate Achievement depend on working and living conditions criteria compliance (based on the available literature).

Moreover, based on both the theoretical and empirical (Distelhorst et al., 2015; Elder et al., 2013; Oya et al., 2017; UTZ checklist, 2017; ILO, 2013; Wilson, 2019) literature review, the following hypotheses were developed.

H1. The internal management system (internal management) related factors are significantly affects working and living condition criteria compliance performance.

H2. The CB monitoring system related factor is significantly affects working and living condition criteria compliance performance.

H3. The government authority related factors are significantly affects working and living condition criteria compliance performance.

H4. The working and living condition criteria noncompliance has an impact on the certificate achievement.

RESEARCH DESIGN

In order to answer the research questions and achieve the stated objectives, the study used a combination of descriptive and inferential research designs. Questionnaires and document analysis were the main data collecting tools for this study. Depending on the type of data that were used in the research, the study adopted a mixed research approach. The target population of the study was the entire set of UTZ-certified coffee exporters in Ethiopia. At the time of this study, a total of 13-certified coffee exporters (smallholder groups and commercial farms strata) were in Ethiopia. All of them operats in southwestern part of the country and the lists of certified commercial coffee farms were obtained from the standard owner (UTZ) and exporter's official website (see Appendix 3). A sample size of 4 (2 from each group strata of commercial and smallholder group coffee farms) was drawn by noon random purposive sampling based on the accessibility of the certification audit data reports to answer questions concerning the current status of the subject in the study. Proportional stratified sampling was used to get information from different types of coffee exporters. This technique was preferred because it is used to assist in minimizing partiality when dealing with the population. With this technique, the sampling frame was organized into relatively homogeneous groups before selecting elements for the sample. According to Janet (2004), this step increases the probability that the final sample will be representative in terms of the stratified groups. The strata were: GFCE (Group Farms of Coffee Exporter) and CFCE (Commercial Farms of Coffee Exporter).

The sampling units for this study focused on farm managers/group administrators, processing managers, marketing/sales managers, quality control, certification, storekeepers/machine operators and human resource personnel by purposive sampling considering their familiarity with various certifications and ability to provide sufficient information for the study. So, the

researcher after striated the group and identified the target respondents, determine sample which is representative for the total population size. Uma Sekarar (2003) stated that a simplified formula to calculate sample sizes of finite population, which was used to determine the sample size for this particular study. A 95% confidence level is assumed for this formula to determine the sample size, at e = 0.05 and the sample size was determined by the following formula:

$$n = \frac{N}{1+N(e)^2}$$

where 'n' is the required sample size,

N is the population size, and

E is the level of precision

Applying the above formula $\frac{131}{1+131(0.05)^2}=$

97+ 5% of 97

= 97+5=102

So, a total of 102 sample sizes are selected as samples for this study. Hence, again to ensure a balanced view, 102 questionnaires were distributed to GFCE and CFCE employees and 51 questionnaires to target respondents (a total of 102) questionnaires are distributed (see Table 3).

DATA ANALYSIS

In this study, both qualitative and quantitative methods of data analysis techniques were employed. Analysis of data in this research was done by using statistical tools like mean, standard deviation and percentages and structural equation model. Descriptive analyses were also used for demographic factors such as gender, age, educational level, and year of experience. Partial least squares-structural equation modelling (PLS-SEM) was used to assess both the measurement and structural combination of reflective and formative constructs. In addition, the small sample size (102) lead the researcher to the use PLS-SEM as it is well suited to analyzing small samples. A sample size rule of thumb for PLS-SEM analysis is the 'ten times rule' (Hair et al., 2011). According to this rule, the minimum sample size for PLS-SEM analysis is 10 times the largest number of paths appointed to a particular construct. Therefore, a sample comprising 102 completed questionnaires was acceptable. This study used SMART PLS 3.0 to perform the PLS-SEM analysis. By using PLS regression algorithms and bootstrapping for analyzing the measurement and structural model, Smart PLS is suitable for assessing complex constructs, such as working and living conditions (Becker et al., 2012). The data from the completed questionnaires were studied, re-coded and entered into the computer using the Statistical Package for Social Sciences (SPSS) version 20. Descriptive statistics were employed to analyze quantitative data.

Reliability Test

Reliability is defined as the extent to which a measurement instrument is stable and consistent. The essence of reliability is repeatability. If an instrument is administered over and over again, will it yield the same results? One of the most commonly used for establishing reliability is Cronbach's α, it evaluates the reliability of items in terms of undimensionality of a set of scale items. The Cronbach's α ranged from 0.728 to 0.899 (Mark, 1996). Cronbach's α was used to evaluate the reliability of the questionnaire. In order to test the reliability of the instrument to be used in the study, the Cronbach's α method was used and the result was 0.896 which is possible to proceed to the distribution and collection of data from the respondents for the study (see Table 4).

RESULT AND DISCUSSION

In this section, the employee's response were used to assess the causes for existing noncompliance under commercial and group farms and the extent of noncompliance affecting the certificate achievement. From the collected data, mean scores and standard deviations were calculated for all five-point Likert Scale items and percentage and frequency for all dichotomous questions. Then to assess the employees' perception level on causes for noncompliance (factor that affect) the working and living condition sustainability pillar compliance performance descriptive statistics, mean and standard deviation were considered. According to Al-Sayaad et al. (2006), the calculated mean score of an item was classified into ranges to fit the five-scaled Likert's measure of responses (strongly disagree, disagree, neutral, agree, and strongly agree) as shown in Table 5. Hence, in this study, the causes for noncompliance (factor that affect) the working and living condition sustainability pillar compliance performance were labelled according to its calculated mean score result and the classification presented in the above Table 5.

Cause for Noncompliance on UTZ Working and Living Condition Sustainability

This research analysis mainly focuses on identifying causes for noncompliance (factor that affect) the working and living conditions sustainability pillar compliance performance in both cases of the commercial and group farms. The researcher includes forty-three questions for the selected respondents to make the identification of the causes for noncompliance (factor that affect) the working and living condition sustainability pillar compliance performance and to propose the solutions for major problems of complying with requirements that hinder the certification. The working and living condition suitability sustainability pillar composes of different criteria or control points where determine the compliance of working and living condition sustainability matrix required to be met by the producers (practitioners) called workers' right set of criteria (composes of criteria from C.72 to 1.C.94 and Health and safety set of criteria composes of criteria form 1.C.95 to 1.C.109 and Management criteria (1.A.7, 9, 11) need to be complained toward fulfillment of working and living condition criteria. Working hours, keeping required documents in this regard and provision of payslip are the criteria of workers right sub dimension under working and living conditions sustainability pillar that required the workers should not work more than 8 hours a day and 48 hours a week and 2 hours per day as overtime work and documentation required on this regard, the certificate holder is required to provide pay slip for wage payment (UTZ code of conduct checklist for individual, 2017).

As shown in Table 6, the cause for not meeting legal regular working hours, rest days, record keeping on this regard and provision of written payslip was assessed by five measurement items. According to the mean score of the items, the highest mean score was attained by the item of lack of training and monitoring by internal management system on the provision of payslip and workers rights and lack of field follow up inspection by the CB or CSs after non-conformity closure to determine the cause that affects the compliance legal regular working hours, rest days, record keeping on this regard and provision of written pay slip with M = 4.15 and SD = 0.998, and M = 4.15 and SD = 1.161 by the GFCE and CFCE, respectively. The least mean was scored by an item (week initial certification audit by the CB or CSs prior to an actual audit and price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification requirements) to analyze the cause for the noncompliance with meeting legal regular working hours, rest days, record keeping on this regard and provision of written pay slip with M = 3.56 and SD = 1.564 and M = 3.52 and SD = 1.488 by the GFCE and CFCE, respectively. The statistical results show that employees of both places agree with all five items of cause which affect the compliance with the above-stated criteria (lack of field follow up inspection by the CB or CSs after non-conformity closure, lack of training and monitoring by internal management system and the self and risk assessment conducted and corrective action for closing gaps taken only to full fill the document required for certification and price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification requirements). Though the respondents from the CFCE less agree on the price volatility of certified coffee. From the above analysis, the researcher finds out that the practitioner's perception toward implementation, price volatility, and the monitoring system of both practitioners and CSs have a great role towards implementing or achieving the sustainability goals of working and living condition matrix.

According to the control points under workers' right of working and living condition sustainability pillar prohibit deductions of the wage for disciplinary purposes and the workers must receive at least the applicable minimum wage. As shown in Table 7, the cause for noncompliance in wage deductions and minimum wage was assessed by six measurement items. According to the mean score of the items describes the highest mean score was attained by (Continuing silence of government institution or government official on determining the private national minimum wage) included to determine the cause that affects the compliance on minimum wage and no wage deductions with M = 4.10 and SD = 1.089, and M = 4.12 and SD = 1.491 by the GFCE and CFCE, respectively and the least mean were scored by an item which is the requirement of the standard deviate with the national law on wage deductions for disciplinary measures that stated to analyze the cause that affects the compliance on no wage deductions with M = 3.46 and SD = 1.841, and M = 3.48 and, S.D = 1.663) by the GFCE and CFCE, respectively. The statistical results show that employees of both place agrees with six items of cause which affect the compliance with criteria of meeting minimum wage and no wage deductions these are (continuing silence of government institution or government official on determining the national minimum wage, overlooking of the exporting sector to put into effect the government to set national minimum wage, the requirement of the standard deviate with the national law on wage deductions for disciplinary measures, the self and risk assessment conducted and corrective action for closing gaps taken only to full fill the document required for certification and lack of field

follow up inspection by CB after non-conformity closure and volatility of coffee global price (including certified coffee) affect profitability of the certified farmer and certified company so that to meet sustainably meeting the minimum wage. From the above analysis, the researchers find out that the working and living condition criteria noncompliance cause aside the management of the producers, the government improving policies toward labour, i.e. seating national minimum wage and the VSSs economic sustainability achievement (i.e. price volatility) have a great role toward implementing the workers right i.e. on wage deductions and minimum wage.

According to UTZ checklist (2017), health and safety set of criteria underworking and living condition composes of criteria that need to be complained such as clear and written accident and emergency procedure that includes the procedure includes at least: names of contact persons, actions to take in emergency situations, locations of communication means (telephone and radio), and an up-to-date list of emergency telephone numbers (fire department, ambulance, police, etc.) and also a permanent warning sign and Fire extinguisher for emergency purpose should available at the central locations. As shown in Table 8, the cause for noncompliance in availability clear and written accident and emergency procedures and permanent warning sign and fire extinguisher was assessed by four measurement items. According to the mean score of the items describe the highest mean score was attained by lack of monitoring and follow up on proper implementation of emergency procedure display and warning signs and present the fire extinguisher by internal management system and lack of field follow up inspection by CB or CSs after non-conformity closure included to determine the cause that affects the compliance on clear and written accident and emergency procedures and permanent warning sign with M = 4.13 and SD = 0.687, and M = 3.96 and SD = 0.885 by the GFCE and CFCE, respectively, and the least mean was scored by an items (risk assessment conducted and corrective action for closing gaps taken only to full fill the document required for certification) to analyze the cause that affect the compliance on clear and written accident and emergency procedures and permanent warning sign with M = 3.44 and SD = 1.8 = 1.127, and M = 3.68 and SD = 1.651 by the GFCE and CFCE, respectively. The statistical results show that employees of both places agree with four items of cause which affect the compliance with the criteria of allocating clear and written accident and emergency procedures and permanent warning sign and fire extinguisher (lack of monitoring and follow up on the proper implementation of emergency procedure display and warning signs by the internal management system, price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification requirements consistently allocate emergency procedure display, warning signs, fire extinguisher and provide effective trainings, lack of field follow up inspection by CB after non-conformity closure, the self and risk assessment conducted and corrective action for closing gaps taken only to full fill the document required for certification and price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification requirements).

PPE and first aid services are critical criteria of health and safety under working and living conditions. The certificate holder is required to provide PPE for workers who handle pesticides that are prescribed for the pesticide used and its method of application. Workers receive first aid services and emergency health care, both free of charge, for treatment of work-related injuries. First aid boxes are placed at central locations. (UTZ checklist, 2017). As shown in Table 9, the cause for noncompliance in PPE and first aid services was assessed by four measurement items. According to the mean score of the items describe the highest mean score was attained by (Price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification requirements and conducting the self and risk assessment and corrective action are only to full fill the document required for certification) included to determine the cause that affects the compliance on provision of PPE and first aid services with M = 3.71 and SD = 0.957, and M = 4.02 and SD = 0.641 by the GFCE and CFCE, respectively and the least mean were scored by items of lack of field follow up inspection by CB after noncompliance closure and price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification requirements to analyze the cause that affect the compliance on provision of PPE and first aid services with M = 3.54 and SD = 0.851, and M = 3.44 and SD = 1.567, by the GFCE and CFCE, respectively. The statistical results show that employees of both place agree with four items of cause which affect the compliance with provision of PPE and first aid services (Lack of regular monitory and continues training on proper use of PPE and provision of first aide service by internal management system (IMS), conducting the self and risk assessment and corrective action are only to full fill the document required for certification, lack of field follow up inspection by CB after noncompliance closure and Price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification requirements). From the statistical analysis, the researchers find out that even though the

price volatility for the group famers affect highly, the commercial farms are also affected by the price volatility toward the implementation of the requirements. Even if the internal management or the internal management system and the perception toward implementations of the self-evaluation and internal control of affect the proper implementation of health and safety requirements for the employees, the follow up monitoring of CB has effect on toward sustainable assurance of the implementation.

According to UTZ checklist (2017) workers right critical criteria of working and living condition, the producers and exporters required to prevent, monitor the child labour and documentation in this regard in order to obtain the certificate. As shown in Table 10, the cause for noncompliance in prevention, monitoring of child labour and documentation in this regards was assessed by six measurement items. According to the mean score of the items, the highest mean score was attained by insufficient training, monitoring and lack of follow up by internal management system (management) included to determine the cause that affects the compliance on prevention, monitoring of child labour and documentation in this regard with M = 4.08 and SD = 0.269, and M = 3.96 and SD = 1.066 by the GFCE and CFCE, respectively, and the least mean were scored by items of lack of field follow up inspection by CB after noncompliance closure and lack of attention given by the farmer/farm manager during farm activities (especially peak season) to analyze the cause that affect the compliance on prevention, monitoring of child labour and documentation in this regards with M = 3.54 and SD = 0.979, and M = 3.48, SD = 1.502 by the GFCE and CFCE, respectively. The statistical results show that employees of both places agree with all the six items of cause which affect the compliance with prevention, monitoring of child labour and documentation in this regards conducting the self and risk assessment and corrective action are only to full fill the document required for certification, Lack of field follow up inspection by CB after noncompliance closure, no strict control done by appointed community-based child labour liaisons, week initial certification audit by the CB prior to actual audit, Insufficient training, monitoring and lack of follow up by internal management (internal management system) and Lack of attention given by the farmer/farm manager during farm activities (especially peak season). This indicates that the strong internal management system under GFCE has a great role towards criteria compiling performance for the smallholder farmers which determines the overall performance, similarly, the internal management under CFCE is crucial toward remediate the child labour. From the statistical analysis, the researcher find out that even though internal management or the internal management system has a great role in prevention, monitoring of child labour and documentation in this regard, the perception of conducting the risk and self-assessment, and role of the CSs towards actual or field verification and community-based child labour monitoring also very important for criteria noncompliance on child labour.

In order to obtain the certificate, the certificate holder in year 3 of the certification year is required to comply the workers right of critical criteria of actions must be taken to encourage school attendance of children of group staff, group members, and group member workers (UTZ, checklist 2017). As shown in Table 11, the cause for noncompliances on actions are taken to encourage school attendance of children of certified entities was assessed by five measurement items. According to the mean score of the items , the highest mean score was attained by lack of government support and conducting the self and risk assessment and corrective action are only to full fill the document required for certification) included to determine the cause that affects the compliance on actions are taken to encourage school attendance of children of certified entities with M = 3.90 and SD = 1.664, and M = 3.94 and SD = 1.378 by the GFCE and CFCE, respectively and the least mean was scored by items of (the UTZ standard lees strict on this control point on year 1 and 2 and lack of government support to analyze the cause that affect the compliance on actions are taken to encourage school attendance of children of certified entities with M = 3.46, SD = 1.448, and M = 3.42 and SD = 0.665 by the GFCE and CFCE, respectively. The statistical results show that employees of both places agree with the four items of cause which affect the compliance on actions are taken to encourage school attendance of children of certified entities (lack of interest to attend school by children as they are encountered on their family affair and community also give little attention for school attainment, Lack of government support, conducting the self and risk assessment and corrective action are only to full fill the document required for certification and the UTZ standard lees strict on this control point on year 1 and 2) and whereas disagree with the item of price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification requirements used to determine cause for not complying with the requirement of actions are taken to encourage school attendance of children of certified entities with M = 2.37 & S.D = 1.633 and M = 2.50 & SD = 1.732) by GFCE and CFCE, respectively. This indicates that apart from the mean value for the item of price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification

requirements, government support for not complying with the stated criteria, respondents perception from both groups on, the lack of government support, conducting the risk and self-evaluation and continual assurance on correct implementation, community perception to school attainment and strictness of the regulation itself has a great role to comply with the standard criteria.

The provision of adequate sanitary facilities and allocation of hygiene instruction are critical criteria of health and safety under working and living conditions. The certificate holder should assure sufficient sanitary facilities such as toilets and handwashing places on production, processing, and maintenance sites and provide and visibly displayed the basic hygiene instructions (UTZ checklist, 2017). As shown in Table 12, the cause for noncompliance in assuring sanitary facilities and the hygiene instruction was assessed by four measurement items. According to the mean score of the items describe the highest mean score was attained by (lack of sufficient training and poor self-assessment performance on personal hygiene and lack of attention to the proportionality gap between the number of workers and existing sanitary facility) included to determine the cause that affects the compliance on assuring sanitary facilities and the hygiene instruction with M = 3.90 and S.D = 1.225, and M = 3.94 and S.D = 0.752 by the GFCE and CFCE, respectively and the least mean was scored by items of (lack of field follow up inspection by CB after noncompliance closure and lack of sufficient training and Lack of field follow up inspection by CB after non-conformity closure) to analyze the cause that affect the compliance on assuring sanitary facilities and the hygiene instruction for employees with M = 3.56 and SD = 1.765, and M = 3.65 and SD = 1.219 by the GFCE and CFCE, respectively.

As the statistical results show that employees of both places agree with four items of cause which affect the compliance on assuring sanitary facilities and the hygiene instruction for employees (lack of sufficient training and poor self-assessment performance on personal hygiene, lack of attention on the proportionality gap between the number of workers and existing sanitary facility, conducting self and risk assessment and corrective action done only to full fill the document required for certification and lack of field follow up inspection by CB after noncompliance closure).

Frequently Occurred Noncompliance Outcomes on the Certificate Achievement

The researchers included four a dichotomous question for the selected respondents by ticking a box on the relative importance of each of outcomes of the non-conformities of working and living conditions on the certificate achievement. The noncompliance's is failure or refusal to comply with something (such as a rule or regulation). The noncompliance's that are critical criteria under working and living condition are criteria's under workers right & health and safety that not implemented well by the producers and exporters. Certificate Achievement is obtaining the certificate that allows using the applicable voluntary sustainability certified seal (labelled) on the commodities that indicate the product produced under compliance or the compliance of the applicable standards of sustainability pillar, which can be helpful to promote the product in different markets. Certificate achievement depends on the requirement compliance of the applicable standards. If one or more non-conformities are found during a certification audit and corrective actions have not been implemented satisfactorily within the time frame or severe non-conformities the CB shall not grant the certification (UTZ certification protocol, 2018; RFA certification rule, 2020; Coulibaly & Liu, 2006).

Table 13 shows the summary outcomes or the consequence of the noncompliance that occurred frequently on the certificate achievement process during the 2017-2020 period of certification year based on the coffee crop year. As we can see from the table above, most of the respondents respond 91(89.2%) and 68(66.7%) for noncompliance outcomes to delay with the certificate and extra cost to close the noncompliance's respectively, 6(5.9%) for non-certification and 4(3.9%) for decertification. From this, we can generalize that the certified coffee exporters most of the time get delayed with the certificate and incurred extra costs to close the noncompliance, however, the non-certification and decertification almost an existed.

Table 14 shows the summary of noncompliance's under UTZ certification standard during the 2017–2020 period of certification year, in 2017–2018, 61.1 and 42.8% of the noncompliance were addressed under working and living conditions in the coffee exporters of commercial and smallholder farmers, respectively, in 2017–2018, 40 and 60.7% of the noncompliance were addressed under working and living conditions in the coffee exporters of commercial and smallholder farmers respectively and, in 2017–2018, 81.2 and 71.4% of the noncompliance were addressed under working and living conditions in the coffee exporters of commercial and smallholder farmers respectively. From the above analysis, the researcher find out there was no consistency in implementation of the criteria, but in all the three certification years the complying performance under working and living conditions is low, for that noncomplying percentage got higher. From this, we can understand that investigating the constraints and

assess the effect on the certificate achievement is worth. Identified mandatory or critical criteria noncompliance on working and living condition suitability pillar during 2017–2020 from both groups (GFCE & CFCE) are noncompliance on regular working hours, keeping required documents on this regard and provision of pay slip; deductions from wages for disciplinary purposes and lack of sustainability on meeting minimum wage; related with the clear and written accident and emergency procedures and permanent warning sign and availed the fire extinguisher; personal protective equipment (PPE) and first aid services for the treatment of work-related injuries; lack of prevention, monitoring child labour and documentation in this regards; on actions are taken to encourage school attendance of children of certified entities (certified member's group/management staffs, workers living on farms or workers of farmers) and on assuring sanitary facilities and the hygiene instruction.

Results and Discussion of Inferential Statistics

The quality of constructs in the study is assessed based on the evaluation of the measurement model. The assessment of the quality criteria starts with the table summary of analysis results then followed by the interpretation (see Table 15).

Validating Higher Order Construct

Working and living condition criteria compliance performance was the higher order construct in the study based on three lower order construct MIMS (Management/Internal management system), CB and GA (government authority). In order to establish the highest order construct validity outer weight, outer loadings, and VIF. The outer weights were found significant (Hair et al, 2016). Furthermore, outer loadings were found greater than 0.5 for each of the lower order construct. Finally, VIF values were assessed to check collinenarity all the VIF values are less than the recommended value of 5 (Hair et al., 2011). Since, all criterions are meet, the HOC validity was established (see Table 16).

Structural Model

The next step is structural equation modelling is the assessment of hypothesis to substantiate the proposed hypothesis. Two tests were necessary in order to complete a preliminary assessment of the structural model and the conceptual framework; namely, the R-square measure for the endogenous constructs and the path coefficients and the path coefficients must be significant (Chin, 2010; Hair et al., 2011). First, the researchers looked at the relationships between the exogenous variable and endogenous variables based on the β, and P values and secondly look at the effect size and (R^2) to check to what extent the working and living condition has effect on the certificate achievement (certification performance). Hence, using those statistical results (presented in Tables 16 and 17) of partial list squire via Boot-strapping procedure with a resample of 5000, the proposed hypotheses for this study were tested as follows:

H1: The internal management system (internal management) related factors are significantly affect working and living condition criteria compliance performance.

The results of the structural analysis as presented in Table 16, revealed that the management or internal management system had a positive and significantly effect on working and living conditions criteria compliance with (B = 0.605; $p < 0.01$). Thus, the proposed hypothesis was accepted. These statistics infer that if the certified entities, i.e. GFCE and CFCE increase their focus on the internal monitoring system of the proper implementation of the criteria's by one %, then its noncompliance on working and living conditions would be decreased by 60.5%. Therefore, the internal management had a negatively effect on the working and living conditions criteria compliance performance. The findings occur with ILO (2013), Wilson (2019), and Rajpaul et al. (2018) point out that the social and economic progress of working conditions, safety and health, skills or assurance of the compliance depends on the regular internal monitoring (management of the organization or the enterprises) and the management play an important role in improving farmers over all social sustainability compliance performance.

H2: The CB monitoring system related factor is significantly affects working and living condition criteria compliance performance.

The results of the structural model analysis as presented in Table 16, revealed that the CB had positive and significantly effect on working and living conditions criteria compliance with ($B = 0.301$; $p < 0.01$). Thus, the proposed hypothesis was accepted. These statistics infer that if the CB increases their focus of improvement on the evaluation or monitoring system and complementing with local institutions causes for the noncompliance by 1%, then the noncompliance on working and living conditions addressed would be decreased by 30.1%. Therefore, the CB had a negatively effect the working

and living conditions criteria compliance performance. This finding occurs with Oya et al. (2017) point out that the effectiveness of the implementation and achievement of the suitability goals, the certification agencies should rigorously test and monitor their impact.

H3: The government authority related factors significantly affects working and living condition criteria compliance performance.

The results of the structural model analysis as presented in Table 16, revealed that the government authority (GA) had a positive and significantly effect on working and living conditions criteria compliance with $B = 0.122$ and $p < 0.01$. Thus, the proposed hypothesis was accepted. These statistics infer that if the government authority increases their focus on support and improvement of labour policies causes for the noncompliance by one %, then the noncompliance on working and living conditions addressed would be decreased by 12.2 %. Therefore, the government authority had a negatively effect on the working and living conditions criteria compliance performance. The findings concur with Distelhorst et al. (2015) that point out the continual silence of the government to improve the labour policies is major cause that affect the improvement of the working and living condition and that private regulations to be effective requires complementary with local institutes.

H4: The working and living condition criteria noncompliance has an impact on the certificate achievement.

The results of the structural model analysis as presented in Table 16, revealed that the working and living conditions criteria compliance had positive and significantly effect on working and living conditions criteria compliance with ($B = 0.544$; $p < 0.01$). Thus, the proposed hypothesis was accepted. These statistics infer that if the compliance performance under working and living conditions criteria increase by one %, then effect on the certificate achievement would be decreased by 54.4%. Therefore, the noncompliance under working and living conditions had negatively affected the certificate achievement. Secondly, the researchers assessed effect sizes (f^2) and (R^2) to assess the variance and the extent of the effect of working and living conditions noncompliance on the certificate achievement (certificate performance). In result, *p*-value shows the significance of the relationships but it does not show the size of an effect. To measure the effect size, the researcher used Cohen's (1988) guidelines, which are 0.02 for small effects, 0.15 for medium effects, and 0.35 for large effects. The R^2 values of 0.381 and 0.431 are higher than the 0.26 value that Cohen (1988) suggests would indicate a substantial model. Table 17 of the (f^2) values indicate that all relationships had medium effect, the exogenous variables of MIMS, CB & GA explain 43.1% of the variance in working and living condition criteria compliance performance (R^2, 0.431) and working and living condition criteria compliance explains 38.1 % of variance in certificate achievement (R^2, 0.381) R^2 values of 0.431 and 0.381 are higher than the 0.26 value that Cohen (1988) suggests would indicate a substantial model (see Fig. 3 and Table 17).

CONCLUSION

This research was conducted with the prime intent of critically assessing the causes for non-conformity in the control point working and living conditions and the noncompliance effect on the certificate achievement of UTZ-certified coffee exporters. Specifically, the study attempted to investigate the factors that affect the working and living condition criteria compline, that in return affect certificate achievement of UTZ-certified coffee exporters and to recommend possible solutions to alleviate the causes for the non-conformity and enhance the coffee exporters to get the certificate with in the time frame so as to deliver the certified coffee to their customers. The causes for the non-conformities are categorized as internal management system, CB monitoring system (CSs) and government authority. Based on the objectives and findings of the study, the following conclusions are worth drawn. The research result concluded that there exists a significant positive relationship between the management (internal management system) and working and living conditions criteria compliance. This indicates that the internal management system has a high influence in determining the compliance of working and living conditions criteria's. The results of the study show that a lack of regular monitoring, follow up and provision of effective trainings on proper implementation of the requirements, and perception toward conducting the self and risk assessment conducted and corrective action for closing gaps taken only to full fill the document requirement of certification are main constraints.

The CB (scheme) monitoring system has also a positive and a significant impact on the criteria compliance of working and living conditions. The results of the study show that lack of field follow up inspection after non-conformity closure and week initial certification audits by the CB, lack of collaboration with the local institution for a better criteria implementation, UTZ standard less strict on some of the requirements such as issues to do

with encourage on school attendance of children from the infant stage and lack of achieving the economic sustainability goal of the voluntary sustainability standards since the coffee price still exposed to high volatility that affects economic performance of the producers to use the potential they have to sustain the better life for their employees. Similarly, government authority has also a positive and significant effect on the criteria compliance of working and living conditions which include lack of law enforcement, monitoring and support on child labour and school attainment, improving labour policy on setting minimum national wage have high influence on criteria compliance of working and living conditions of UTZ-certified exporters of group and commercial coffee farms operating in southern west part of Ethiopia. The result of the study in case of impact of the working and living noncompliance's on the certificate achievement has positive and significant effect which includes delay with certificate and extra cost incurred due to closure of the noncompliance.

Generally, this study identified the different causes for the noncompliance which are classified under the three categories (internal management system, CB (scheme) monitoring system and government authority) on the control point working and living condition has different impact on the criteria compliance. The research clearly illustrated that, even if the degree of the impact of the cause is slightly different from one another, most of the causes are considerably common for all impacts. It has been clearly noted that the management (internal management system), CS monitoring system and Government authority had very highly impact on the working and living conditions compliance that leads the firms for incurring extra cost and delay with the certificate.

REFERENCES

Albersmeier, F., Schulze, H., & Spiller, A. (2009). The reliability of third-party certification in the food chain: From checklists to risk-oriented auditing. *Food Control, 20*(10), 927-935.

Al-Sayaad, J., Rabea, A., & Samrah, A. (2006) *Statistics for economics and administration studies*. Jeddah: Dar Hafez.

Bary, J. G., & Neilson, J. (2017). Reviewing the impacts of coffee certification programmes on smallholder livelihoods. *International Journal of Biodiversity Science*, *Ecosystem Services and Management, 13*(1), 216-232.

Bagozzi, R. P., & Yi, Y. (1988). On the evaluation of structural Models. *Journal of Academy of Marketing*, *16*(1), 74-94.

Bhagwati, J. (1995). Trade liberalisation and "fair trade" demands: Addressing the environmental and labor standards Issues. *The World Economy, 18,* 745-759.

Becker, J. M., Klein, K., & Wetzels, M. (2012). Hierarchical latent variable models in PLS-SEM: Guidelines for using reflective-formative type models. *Long Range Planning, 45*(5), 359-394.

CBI. (2020).What is the demand for coffee in Europe market?/CBI. Retrieved May 10, 2021, from https://www.cbi.eu

Chin, W. W. (2010). *How to right up and report PLS Analysis. Hand book of partial list squire: Concept methods and application.* New York: Spring.

Cohen, J. (1988). *Statistical power analysis for the behavioral sciences* (2nd ed.). Hillsdale, NJ: Lawrence Erlbaum Associates.

Cruz, C. P. (2021). How to choose ISO certification body. Retrieved May, 2021, from https://advisera.com

Creswell, J. W. (2009). *Research design: Qualitative, quantitative, and mixed methods approaches* (3rd ed.).

Degaga, L. (2020). Review on coffee production and marketing in Ethiopia. *Journal of Marketing and Consumer Research, 67,* 7-15.

Distelhorst, G., Locke, R. M., Pal, T., & Samel, H. (2015). Production goes global, compliance stays local: Private regulation in the global electronics industry. *Regulation & Governance, 9,* 224-242. doi:10.1111/rego.12096

Defries, R. S., Fanzo, J., Mondal, P., Remans, R., & Wood, S. A. (2017). Is voluntary certification of tropical agricultural commodities achieving sustainability goals for small-scale producers? A review of the evidence. *Environmental Research Letters, 12*(2), 2-11.

Elder, S. D., Zerriffi, H., & Le Billon, P. (2013). Is fairtrade certification greening agricultural practices? An analysis of fairtrade environmental standards in Rwanda. *Journal of Rural Studies, 32*, 264-274.

Elliott, K. A., & Freeman, R. B. (2003). *Can labor standards improve under globalization?* Washington DC: Peterson Institute.

Elliott, K. (2018). CGD Policy Paper. Paper 128. Washington, DC: Center for Global Development.

Emma, B., James, K., Rhiannon, P., Ellen, M., Lu, C. & Qiao, Y. (2012). *Pro-poor certification: Assessing the benefits of sustainability certificate for small scale*

farmers in Asia. UK: Park Communication.

Eka, E., & Caraman, I. (2020). *From bean to cup: Building competitive advantage through sustainable standards, a multiple-case study of the Swedish coffee industry* (Bachelor's Degree Thesis 15 HE Credits Subject).

Eurofound. (2021). Working condition. Retrieved from www.eurofound.europa.eu

Eurofound and International Labour Organization. (2019). Working conditions in a global perspective, Publications Office of the European Union, Luxembourg, and International Labour Organization, Geneva.

FAO. (2017). Voluntary sustainability standards for bananas. Retrieved February, 2021, from http://www.fao.org/world-banana-forum/projects/good-practices/voluntary-sustainability-standards/en/

Fairtrade International. (2017). What is fairtrade? Retrieved from www.fairtrade.net

GCCE (Gumutindo Coffee Cooperative Enterprises). (2017). Social premium. Retrieved May, 2021, from www.gumutindocoffee.coop

Fairtrade Labelling Organization. (2012). Fairtrade and coffee: Commodity briefing. Retrieved March 27, 2021, from https://www.fairtrade.netFairtrade International

Florentine, M., Richter, T., Blockeel, J., & Huber, B. (2019). *Group certification. Internal control systems in organic agriculture: Significance, opportunities and challenges.*

Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, *18*(1), 39-50.

Grüninger, B., Schiesari, C., Bluhm, E., & Mattos, J. (2015). Effects of UTZ certification according to coffee farmers in Brazil. Retrieved June, 2021, from https://www.utz.org/wp-content/uploads/2015/12

Gefen, D., Staub, D. W., & Boudreau, M. C. (2000). Structural equation modeling and regression: Guideline for research practice. *Communication of Association for Information System, 4,* 2-79.

Hair, J. F. J., Anderson, R. E., Tatham, R. L., & Black, W. C. (1998). *Multivariate data analysis* (5th ed.). Upper Saddle River, New Jersey: Prentice Hall.

Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. *The Journal of Marketing Theory and Practice, 19*(2), 139-152.

Hair, J. F., Sarstedt, M., & Ringle, M. C. (2016). Partial least squares structural equation modeling. *Hand Book of Market Research,* 1-140.

Hair, J. F., Hult, G. T. M., Ringle, C., & Sarstedt, M. (2013). *A primer on partial least squares structural equation modelling (PLS-SEM).* Los Angeles: Sage Publications.

Hulland, J. (1999). Use of partial least squares (PLS) in strategic management research: A review of four recent studies. *Strategic Management Journal, 20*, 195-204.

ITC. (2010). Voluntary standards in developing Countries: The potential of *voluntary standards and their role in international trade*. International Trade Forum.

ILO. (2013). Can better working conditions improve the performance of SMEs? Publications of international labour Office. – Geneva: ILO, 2013. Retrieved May, 2021, from https://www.ilo.org. Accessed on May,2021

ISCC (International sustainability and carbon certification). (2017). Group certification version3.0. Assessable at https://www.iscc-system.org/wp-content/upload/2017/02/ISCC-206-group certification.

Jena, P. R., Chichaibelu, B. B., Stellmacher, T., & Grote, U. (2012). The impact of coffee certification on small-scale producers' livelihoods: A case study from the Jimma Zone, Ethiopia. *Agricultural Economics, 43,* 429-440.

Kattel, R. R. (2017). Impacts of group organic certification of coffee on socio-economic and environmental sustainability in Nepal. *Journal of Agriculture and Forestry University*, *1*(2017), 49-60.

Komives, K., & Jackson, A. (2014). *Introduction to voluntary sustainability standards* (pp. 3-19). Retrieved from https://www.researchgate.net

Kline, R. B. (2011). *Principles and practice of structural equation modeling* (3rd ed.). Guilford Press.

Koul, R. (2008). Cultural background and students' perceptions of science class room learning environment and teacher interpersonal behavior in Jammu, India.

Kuit, M., & Waarts, Y. (2014). *Small-scale farmers, certification schemes and private standards: Costs and benefits of certification and verification systems for small-scale producers in cocoa, coffee, cotton, fruit and vegetable sectors*. Wageningen: Technical Centre for Agricultural and Rural Cooperation.

Latynskiy, E., & Berger, T. (2016). Assessing the income effects of group certification for smallholder coffee farmers: Agent-based simulation in Uganda. *Journal of Agricultural Economics*, *68*(3), 727-748.

Lernoud, J., Potts, J., Sampson, J., Garibay, S., Lynch, M., Voora, V., Willer, H., & Wozniak, J. (2017). *The state*

of sustainable markets - Statistics and emerging trends 2017. Geneva: ITC.

Laffont, J. J., & Tirole, J. (1993). *A theory of incentives in procurement and regulation.* Cambridge: The MIT Press.

Coulibaly, A. L., & Liu, P. (2006). *Regulation, standards and certification for agricultural exports.* Rome: FAO.

List-of-UTZ-Certified-Coffee-Producers. (2021). Retrieved from https: //utz.org

Luning, P. A., Marcelis, W. J., & Jongen, W. M. F. (2002). *Food quality management: A techno-managerial approach.* Wageningen.

Mark, R. (1996). *Research made simple: A handbook for social workers* (p. 413). Thousand Oaks, CA: Sage. Hardback, ISBN-0-8039-7426-4, Paperback, ISBN-0-8039-7427-2.

Meier, C., Sampson, G., Larrea, C., Schlatter, B., Voora, V., Dang, D., Bermudez, S., Wozniak, J., & Willer, H. (2020). *The state of sustainable markets 2020: Statistics and emerging trends.* Geneva.: ITC.

Minten, B., Tamru, S., Kuma, T., & Nyarko, Y. (2014). Structure and performance of Ethiopia's coffee export sector. EDRI, IFPRI Working Paper (66).

Kondal, A. M. (2018). *The determinants of the export competitiveness of the coffee industry in Ethiopia* (Degree of masters of art in marketing management department of marketing school of commerce Addis Ababa University).

NBE (National Bank of Ethiopia). (2020). Domestic economic analysis and publications directorate. Annual report (2019/20), Addis Ababa, Ethiopia. Retrieved from https://nbebank.com

Nunnally, J. C. (1978). *Psychometric theory* (2nd ed). New York: Mc-Graw-HII.

Oya, C., Schaefer, F., Skalidou, D., McCosker, C., & Langer, L. (2017). A systematic review campbell systematic reviews. doi:10.4073/csr.2017.3

Osorio, N. (2004, June 13-18). *Lessons from the world coffee crisis: A serious problem for sustainable.* São Paulo, Brazil Development.

Osorio, N. (2002, August 30). *The global coffee crisis: A threat to sustainable development*. Johannesburg.

Pinedo, L. (2020). *Wages and working conditions in the coffee sector: The case of Costa Rica, Ethiopia, India, Indonesia and Vietnam*. International Labour Organization..

Ponte. S. (2004). Standards and sustainability in the coffee sector, a global value chain approach. Retrieved March 27, 2021, from www.san.ag

Potts, J., Lynch, M., Wilkings, A., Huppé, G., Cunningham, M., & Voora, V. (2014). *The state of sustainability initiatives review 2014: Standards and the green economy*. International Institute for Sustainable Development (IISD) and the International Institute for Environment and Development (IIED) 332.

Rainforest Alliance. (2019). The rainforest alliance and UTZ to merge, forming new, stronger organization. Retrieved August 27, 2019 from https://www.rainforest-alliance.org/articles/rainforest-alliance-utz-merger

Rainforest Alliance. (2017). Rainforest alliance certification rule. Retrieved May, 2021, from http://www.sustentables.org/Documents/DOCS2018/Noma%20RA-2017-In/RA-R-SP-1-V1.2%20Certification%20Rules%2017.pdf

Rainforest Alliance. (2020). Coffee certification data report. Retrieved May 14, 2021, from https://www.rainforest-alliance.org/business/resource-item/coffee-certification-data-report-2020/Rainforest Alliance and UTZ programs

Rajpaul, V., Rajpaul, V., McDermott, C., & Pinto, L. (2020). Coffee certification in Brazil: Compliance with social standards and its implications for social equity. *Environment, Development and Sustainability, 22*, 2015-2044.

Regassa, H. (2017). *The effect of sustainable coffee CSs on the benefits of coffee certification: the case of certified commercial coffee farms in southwestern Ethiopia. The degree of executive master of business administration (EMBA)* (A thesis submitted to the college of business and economics, Addis Ababa University. Addis Ababa).

SAN (Sustainable Agriculture Network). (2017). The guide for the 2017 SAN standard for the implementation & evaluation of the criteria requirements. SAN-G-LS-01-V1 D.R. Red de Agricultural Sustainable, A.C. Retrieved from www.san.ag

Snider, A., Kraus, E., Sibelet, N., Bosselmann, A. S., & Faure, G. (2016). Influence of voluntary coffee certifications on cooperatives' advisory services and agricultural practices of smallholder farmers in Costa Rica. *The Journal of Agricultural Education and Extension, 22*(5), 435-453.

Stiglitz, J. E., Sen, A., & Fitoussi, J.-P. (2009). Report by the commission on the measurement of economic performance and social progress, web page. Retrieved May 7, 2021, from https://ec.europa.eu/eurostat/documents/118025/118123/Fitoussi+Commission+report

Tsehay, B. M. (2019). Effects of coffee certification on the livelihood of small scale households (a case of Aleta

Chuko District, Sidama Zone, Ethiopia). Management department, Hawassa University. *IOSR Journal of Business and Management (IOSR-JBM)*, *21*(4), 70-81. Retrieved from www.iosrjournals.org

UNFSS. (2018). *Voluntary sustainability standards, trade and sustainable development.* 3rd Flagship Report of the United Nations Forum on Sustainability Standards (UNFSS).

UNFSS. (2013). *Voluntary sustainability standards: Today's landscape of issues and initiatives to achieve public policy objectives.* United Nations Forum on Sustainability Standards.

USDA. (2020). *Coffee: World markets and trade.* Foreign Agricultural Service/USDA 9 December 2020 Global Market Analysis.

UTZ (2018, December). Standards & Assurance Department. UTZ Assurance Certification Protocol Version 4.3.

UTZ. (2016). What's in a name? May 8, 2021, from https://utz.org/better-business-hub/marketing-sustainable-products/utz-whats-in-a-name.uploaded on Feb 18, 2016 and updated on Jun, 2019.

UTZ (2015). EN_UTZ_Core-Code-Group_v1.1_2015. Retrieved May 4, 2021, from, https://utz.org

UTZ-EU-UT. (2009). UTZ 005 _ICS Guide. Retrieved March, 2021, https://utz.org/?

UTZ. (2015). Certification Protocol – UTZ.org. Retrieved June, 2021, from https://www.utz.org/wp-content/uploads/2015/12/EN_UTZ_Certification-Protocol_v4.1_2015.pdf.

Vanderhaegena, K., Akoyib, K. T., Dekoninckc, W., Jocquéd, R., Muysa, B., Verbista, B., & Miet, M. (2018). *Global Environmental Change, 51,* 1-9

Voora, V., Bermúdez, S., & Larrea, C. (2019). *Global market report: Coffee*. Winnipeg, CA: International Institute for Sustainable Development.

Wahyudi, A., Wulandari, S., Aunillah, A., & Alouw, C. (2020). *Sustainability certification as a pillar to promote Indonesian coffee competitiveness.* IOP Conference Series: Earth and Environmental Science, Volume 418, 1st International Conference on Sustainable Plantation (1st ICSP 2019) 20–22 August 2019, IPB International Convention Center, Bogor, Indonesia.

Wiersum, K., Gole, T., Gatzweiler, F., Volkmann, J., Bognetteau, E., & Wirti, O. (2012). Certification of wild coffee in Ethiopia: Experiences and challenges. *Forests Trees Livelihoods 18,* 9-21.

Wilson, R. (2019). Taking the surprise out of surprise audits. Retrieved August 29, 2019, from https://www.auditcomply.com/2019/08/29/taking-the-surprise-out-of-surprise-audits

Zikmund, W. G. (2003). *Business research methods* (7th ed.). Thomson/South-Western.

SUPPLEMENTARY MATERIALS FOR REVIEW

Appendix I- Tables and Fig.s

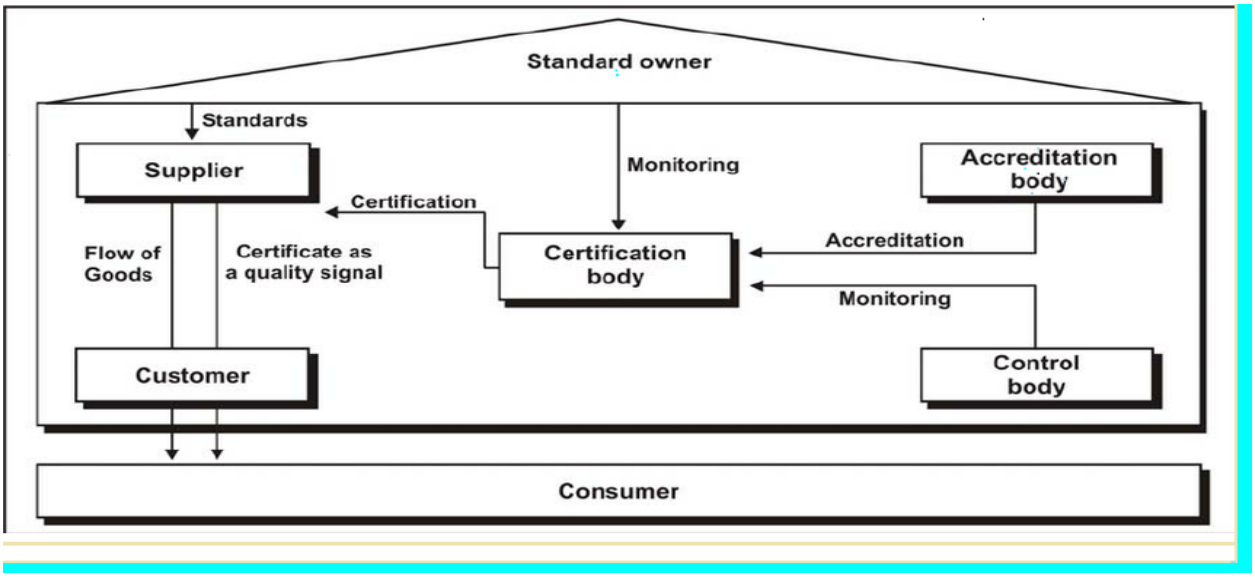

Fig. 1: Basic structure of certification (Jahn et al., 2005)

Table 1: Criteria Evaluation

Conformity Status	Condition
Condition	The audited organization meets all the criterion's provisions
Noncompliance/ Nonconformity (NC)	The audited organization does not meet or only partially meets the provisions of the criterion
Not Applicable (N/A)	The subject of evaluation is not present within the audit scope.

Source: (Utz ICS, 2009; RFA certification rule, 2020).

Table 2: Summary of Literature and Research Gap

Sr. No	Author/s	Objective	Method	Finding	Country
1	Bray & Neilson, 2017	To assess the impact of certification programmers on coffee smallholder livelihood assets.	peer-reviewed studies	Several of the reviewed studies identified enhanced livelihood assets arising from certification under specific institutional, but greater number of studies found either neutral or mixed impacts, and a small number reported negative impacts.	Central America Asia, South America & Africa
2	Oya et al., 2017	To examines the effectiveness of certification schemes in improving the welfare of farmers and workers	Systematic review, peer-reviewed studies	There are positive effects on prices. But workers' wages do not seem to benefit from the presence of CS. Income from the sale of produce is higher for certified farmers, but overall household income is not	Latin America and the Caribbean Africa, South Asia and East Asia and Pacific

Sr. No	Author/s	Objective	Method	Finding	Country
3	Elliott, 2018	To assess what we have learned about the impact of voluntary certification schemes and whether positive livelihood effects are mainly the result of relatively better off households choosing to participate.	peer-reviewed studies	certification schemes can be beneficial, but context matters, and the poorest, most vulnerable smallholder producers are able to comply with sustainability standards only with substantial external help	LatinAmerica Africa, and Asia
4	Kattel, 2017	To examines the potential for group organic certification of coffee to contribute to socio-economic and environmental sustainability	semi-structured interviews& focus group discussion	Group organic certification plays positive role on smallholders' livelihoods.	Asia
5	Vanderhaegen et al., 2018	To analyze both the socio-economic and environmental impacts of coffee standards.	structured questionnaire and Instrumental variable (IV) models	Standards improve either productivity and farm incomes or biodiversity and carbon storage but fail to eliminate trade-offs between socioeconomic and environmental outcomes, even when combined in multiple certification	Africa (Uganda)
6	Latynskiy and Berger, 2016	To assesses the Income Effects of Group Certification for Smallholder Coffee Farmers	Agent-based simulation with MPMAS	Certification can have a small positive impact on participating households. But the added value of certification is substantially lower than the price premium, because of certification costs.	Africa (Uganda)
7	Regassa, 2017	Investigate the effect of sustainable coffee certification schemes on the benefits of coffee certification: the case of certified commercial coffee farms in southwestern Ethiopia.	Structured questioner	The study further finds the practice of farming system; working and living conditions and environmental protection have significant effect on the three acknowledged pillars of sustainability. But no significant effect is recorded for the marketing dimension of certification	Ethiopia
8	Akoyi et al., 2018	To examine the impact of private sustainability standards on child schooling among smallholder coffee producers	Cross-sectional household survey data and probit, tobit, propensity score matching and difference-in-difference	The prohibition of child labor alone is not sufficient to improve schooling outcomes and that Fair Trade keeps its child welfare promises in South Western Ethiopia and Eastern Uganda	Africa (Ethiopia and Uganda)
9	Rajpaul et al., 2018)	To assess how management criteria impact the ability of SAN/RFA coffee certified different sized farms to meet certification's social performance requirements	MATLAB programming language	The result shows management requirements play an important role in improving smallholders' overall social sustainability performance and that group certification may help resource-poor smallholders	Brazil
10	Distelhorst et al., 2015	To investigating how private initiative are effective to improve the social labor or poor working condition at electronics industry (particularly, HP)	Audit analysis, interview and field factory research.	Results show that private regulatory to be effective requires complementary with local institutes.	China

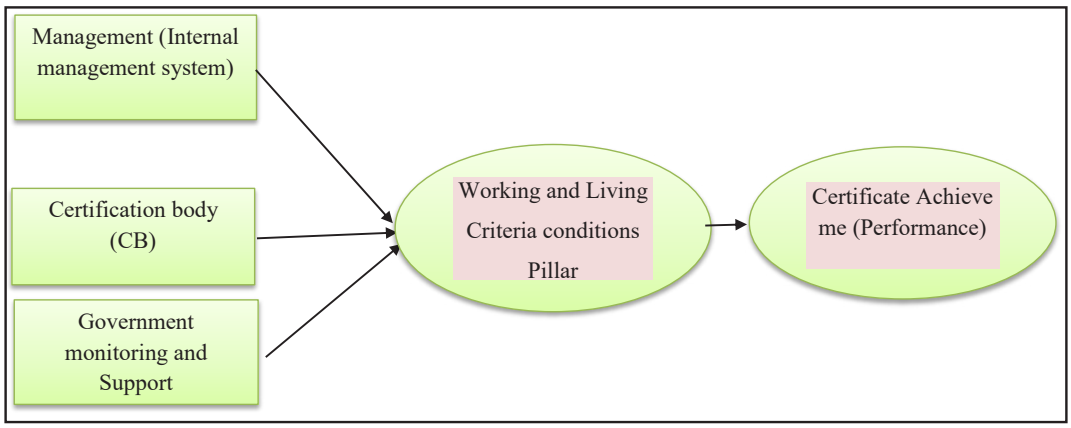

Fig. 2: Conceptual Framework (Own Model)

Table 3: Summary of Questionnaire Distribution and Collection Rate

Sr. No	Respondent	Distributed	Responded	Response Rate
1	GFCE	51	51	100%
2	CFCE	51	51	100%

Table 4: Analysis of Reliability of the Questionnaire through Cronbach's Alpha

Cronbach's Alpha	N of Items
0.896	43

Table 5 : Mean score Range for Five – Scaled Likert's Response

Sr. No.	Mean Rating	Response Option
1	[1.00, 1.80)	Strongly Disagree
2	[1.80, 2.60)	Disagree
3	[2.60, 3.40)	Neutral
4	[3.40, 4.20)	Agree
5	[4.20, 5.00)	Strongly Agree

Source: Al-Sayaad et al. (2006).

Table 6: Mean and Standard Davison Results of Cause for Noncompliance on Working Hours and Provision of Pay Slip

	GFCE			CFCE			Level of Agreement	
Questionnaires' Items	N	(M) Mean	(S.D)Std. Deviations	N	(M) Mean	(S.D) Std. Deviation		CFCE
	100%			100%				
Lack of field follow up inspection by certification body(certification schemes) after non-conformity closure	51	3.88	1.338	51	4.15	1.161	Agree	Agree
	102			102				

Lack of training and monitoring by management (internal management system) on provision of pay slip and workers right(including working hours and employment	51 102	4.15	0.998	51 102	4.04	1.118	Agree	Agree
Week initial certification audit by the certification body (certification schemes) prior to actual audit	51 102	3.56	1.564	51 102	3.90	1.317	Agree	Agree
Price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification requirements	51 102	4.13	1.103	51 102	3.52	1.488	Agree	Agree
The self and risk assessment conducted and corrective action for closing gaps taken only to full fill the document requirement for certification	51 102	3.90	1.241	51 102	4.13	1.189	Agree	Agree

Table 7: Mean and Standard Davison Results of Cause for Noncompliance on Wage Deductions and Minimum Wage

	GFCE			**CFCE**			**Level of Agreement**	
Questionnaires' Items	**N** **100%**	**(M) Mean**	**(S.D)Std. Deviations**	**N** **100%**	**(M) Mean**	**(S.D) Std. Deviation**	**GFCE**	**CFCE**
This requirement of the standard deviate with the national law on wage deductions for disciplinary measures	51 102	3.46	1.841	51 102	3.48	1.663	Agree	Agree
Continuing silence of government institution or government official on determining private national minimum wage	51 102	4.10	1.089	51 102	4.12	1.491	Agree	Agree
Overlooking of the exporting sector to put into effect the government to set national minimum wage.	51 102	3.73	1.140	51 102	4.08	1.493	Agree	Agree
The self and risk assessment conducted and corrective action for closing gaps taken only to full fill the document requirement for certification	51 102	3.81	1.585	51 102	3.88	1.641	Agree	Agree
Lack of field follow up inspection by certification body after non-conformity closure	51 102 102	3.62	1.523	51 102 102	3.96	1.596	Agree	Agree
Price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification requirements	51 102	3.94	1.662	51 102	3.83	1.689	Agree	Agree

Table 8: Mean and Standard Davison Results of Cause for Noncompliance on Clear and Written Accident and Emergency Procedures and Permanent Warning Sign and Fire Extinguisher

	GFCE			**CFCE**			**Level of Agreement**	
Questionnaires' Items	**N** **100%**	**(M) Mean**	**(S.D)Std. Deviations**	**N** **100%**	**(M) Mean**	**(S.D) Std. Deviation**	**GFCE**	**CFCE**
Lack of monitoring and follow up on proper implementation of emergency procedure display and warning Signs and present fire extinguisher by management (internal management system)	51 102	4.13	0.687	51 102	3.81	0.715	**Agree**	**Agree**

The self and risk assessment conducted and corrective action for closing gaps taken only to full fill the document requirement for certification.	51 102	3.44	1.127	51 102	3.68	1.651	**Agree**	**Agree**
Lack of field follow up inspection by certification body (certification schemes) after non-conformity closure.	51 102	3.88	0.900	51 102	3.96	0.885	**Agree**	**Agree**
Price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification requirements	51 102	3.58	0.750	51 102	3.75	0.653	**Agree**	**Agree**

Table 9: Mean and Standard Davison Results of Cause for Noncompliance on PPE and First Aid Services

	GFCE			CFCE			Level of Agreement	
Questionnaires' Items	**N** 100%	**(M) Mean**	**(S.D)Std. Deviations**	**N** **100%**	**(M) Mean**	**(S.D) Std. Deviation**	**GFCE**	**CFCE**
Lack of regular monitory and continues training on proper use of PPE and provision of first aide service by management /management system (IMS)	51 102	3.69	1.675	51 102	3.60	1.718	Agree	Agree
conducting the self and risk assessment and corrective action are only to full fill the document requirement for certification	51 102	3.60	1.142	51 102	4.02	0.641	Agree	Agree
Lack of field follow up inspection by certification body after non-conformity closure	51 102	3.54	0.851	51 102	3.92	0.518	Agree	Agree
Price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification requirements	51 102	3.71	0.957	51 102	3.44	1.576	Agree	Agree

Table 10: Mean and Standard Davison Results of Cause for Noncompliance on Prevention, Monitoring of Child Labor and Documentation on this Regards

	GFCE			**CFCE**			**Level of Agreement**	
Questionnaires' Items	**N** **100%**	**(M) Mean**	**(S.D)Std. Deviations**	**N** **100%**	**(M) Mean**	**(S.D) Std. Deviation**	**GFCE**	**CFCE**
Conducting the self and risk assessment and corrective action are only to full fill the document requirement for certification	51 102	3.83	0.857	51 102	3.75	1.007	Agree	Agree
Lack of field follow up inspection by certification body after non-conformity closure	51 102	3.54	0.979	51 102	3.88	0.704	Agree	Agree
No strict control done by appointed community based child labor liaisons	51 102	3.71	0.750	51 102	3.81	1.049	Agree	Agree
week initial certification audit by the certification body prior to actual audit	51 102	3.77	1.554	51 102	3.79	1.035	Agree	Agree

Insufficient training , monitoring and lack of follow up by management (internal management system)	51 102	4.08	0.269	51 102	3.96	1.066	Agree	Agree
Lack of attention given by the farmer /farm manger during farm activities (especially peak season)	51 102	3.94	0.639	51 102	3.48	1.502	**Agree**	**Agree**

Table 11: Mean and Standard Davison Results of Cause for Noncompliance on Actions are taken to Encourage School Attendance of Children of Certified Entities

	GFCE			CFCE			Level of Agreement	
Questionnaires' Items	**N**	**(M) Mean**	**(S.D)Std. Deviations**	**N**	**(M) Mean**	**(S.D) Std. Deviation**	**GFCE**	**CFCE**
	100%			**100%**				
Lack of interest to attend school by children as they are encountered on their family affair and community also give little attention for school attainment.	51 102	3.69	0.940	51 102	3.65	1.454	Agree	Agree
Price volatility of coffee (certified coffee) affect the producers and exporters to meet the certification requirements	51 102	2.37	1.633	51 102	2.50	1.732	Disagree	Disagree
conducting the self and risk assessment and corrective action are only to full fill the document requirement for certification	51 102	3.60	1.648	51 102	3.94	1.378	Agree	Agree
Lack of Government support	51 102	3.90	1.664	51 102	3.42	0.654	Agree	Agree
The UTZ standard lees strict on this control point on year 1 and 2	51 102	3.46	1.448	51 102	3.54	1.290	Agree	Agree

Table 12: Mean and Standard Davison Results of Cause for Nonconformity on Assuring Sanitary Facilities and the Hygiene Instruction

	GFCE			CFCE			Level of Agreement	
Questionnaires' Items	**N**	**(M) Mean**	**(S.D)Std. Deviations**	**N**	**(M) Mean**	**(S.D) Std. Deviation**	**GFCE**	**CFCE**
	100%			100%				
Lack of sufficient Training and Poor self-assessment performance on personal hygiene	51	3.90	1.225	51	3.65	1.219	Agree	Agree
	102			102				
lack of attention on the proportionality gap between the number of workers and existing sanitary facility	51	3.63	1.401	51	3.94	0.752	Agree	Agree
	102			102				
	102			102				
Conducting self and risk assessment and corrective action done only to full fill the document requirement for certification.	51	3.77	1.002	51	3.79	1.377	Agree	Agree
	102			102				
Lack of field follow up inspection by certification body after non-conformity closure	51	3.56	1.765	51	3.73	1.122	Agree	Agree
	102			102				

Table 13: Working and Living Conditions Sustainability Pillar Noncompliance Outcome on the Certificate Achievement

Outcomes of Noncompliance on Working and Living Condition Matrix		**Frequency (n=102)**	**Percent**	**Valid Percent**	**Cumulative Percent**
	Delay with certificate	91	89.2	89.2	89.2
Valid	Non- certification	6	5.9	5.9	5.9
	Decertification	4	3.9	3.9	3.9
	Extra Cost for NCs closing	68	66.7	66.7	66.7

Table 14: Audit Report Analysis

Year	**2017-2018 G.C**			**2018-2019 G.C**			**2019-2020 G.C**		
Farm Type	**Total NCs**	**NCs under Working and Living Condition**	**% of NCs of Working Condition**	**Total NCs**	**NCs under Working and Living Condition**	**% of NCs of Working Condition**	**Total NCs**	**NCs under Working and Living Condition**	**% of NCs of Working Condition**
Commercial Farm	18	11	61.1	5	2	40	16	13	81.2
Group Farm	7	3	42.8	23	14	60.7	14	10	71.4
Total	25	14	56	28	16	57.1	30	23	76.7

Table 15: Factor Loading and Reliability Analysis

	Item	Loadings	AVE	CR	Cronbach's Alpha	VIF
Management (Internal Management System)	MIMS 1	0.926	0.720	0.797	0.713	1.160
	MIMS2	0.769				1.160
Certification body (CB)	CB1	0.931	0.768	0.868	0.812	1.436
	CB2	0.818				1.436
Government Authorities	GA1	0.731	0.777	0.820	0.739	1.218
	GA2	0.927				1.218
Workers Right Criteria	WRNC1	0.841	0.649	0.787	0.740	1.099
Noncompliance	WRNC2	0.769				1.099
Health and Safety criteria	HSNC1	0.932	0.734	0.975	0.834	1.034
Noncompliance	HSNC2	0.782				1.034
Certificate Achievement	CAE1	0.886	0.823	0.903	0.788	1.731
	CAE4	0.928				1.731

Items removed: Indicator Items are below 0.5: CAE2, CAE 3 (Non- certification and decertification respectively).

Table 16: Higher Order Construct Validity

HOC	LOCs	Outer Weight	T Statistics	P values	Outer Loading	VIF
WLCCP	MIMS	0.865	3.372	0.000	0.865	1.160
	CB	0.892	4.623	0.000	0.816	1.436
	GA	0.738	2.634	0.000	0.95	1.218
	CAE	0.643	2.294	0.000	0.881	1.731

Table 17: Structural Estimate (Hypothesis Testing)

Hypothesis	Beta	T Value	F square	R^2	Decision
H1: MIMS ->WLCCE	0.605	5.360	0.330		Supported
H2: Certification body(CB) -> WLCCE	0.301	4.505	0.202		Supported
H3: Government Authority(GA) -> WLCCE	0.122	2.190	0.100		Supported
H4: Working and living condition criteria	0.544	3.675	0.322	0.3	Supported
compliance performance -> Certificate Achievement (CA)					

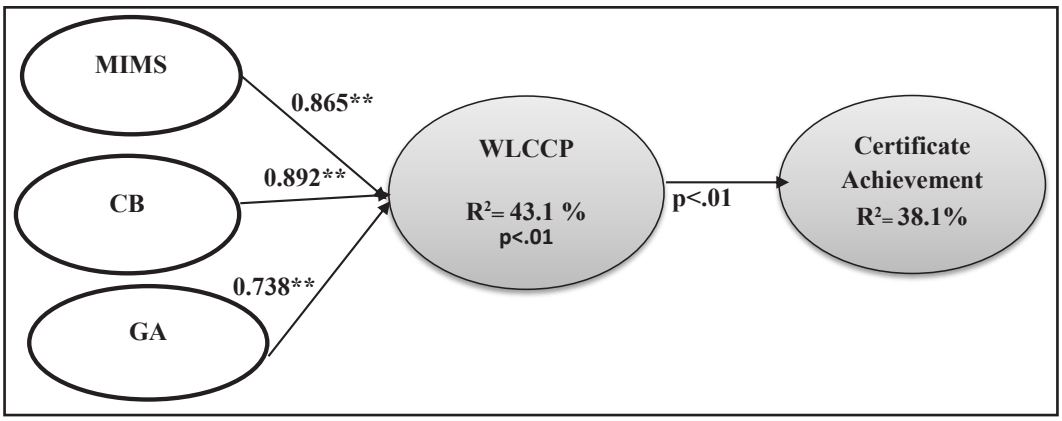

Fig. 3: Result of Structural Assessment Model

Appendix 2: List of UTZ's social Critical (The Extra Control Points in all Year Stated in Bold)

CP	Criteria Description
	Management (Internal Management System)
1.A.7	An accurate and updated overview of all workers on the farm (permanent and temporary) is kept.
1.A.9	Responsible person(s) or a committee are appointed for Block 'C'
1.A.11	A risk assessment is carried out, annually reviewed and kept up-to-date to identify possible risks in production and processing related to: Block 'C'. The risk assessment considers the UTZ Certified risk assessment guidance.
1.A.13	Training is provided to workers on all topics on Block 'C'
1.A.14	Awareness raising activities are held for workers and their families to inform them about: Block 'C'
	Workers Right
1.C.72	No forced Labor
1.C.73	No child labor
1.C.74	Actions are taken and documented to prevent, monitor, and remediate child labor.
1.C.75	Children living on-site and of school going age go to school.
1.C.77	Freedom of association and collective bargaining
1.C.78	Workers are not subject to any retaliation, discrimination, or other negative consequences if they establish or join a workers' organization or if they take part in collective bargaining.
1.C.79	Workers are effectively informed, either by individual letter or by a general diffusion, about: Right to establish, join and engage workers association and collective bargaining and guarantee that they will not be subject to any retaliation, discrimination, or other negative consequences if they exercise any of these rights.
1.C.80	Regular working hours do not exceed 48 hours per week. Workers have at least one day off after 6 days of work. Watchmen's regular working hours do not exceed 56 hours per week on average per year.
1.C.81	Overtime work is permitted only if: -it is requested in a timely manner, paid according to national law or collective bargaining agreements, it does not exceed 12 hours per week, it is not demanded on a regular basis, and workers have safe transport home following overtime shifts at odd hours.
1.C.82	Workers have at least one 30-minute rest break after five hours of work. Breastfeeding women have two additional 30-minute breaks per day to nurture the child
1.C.83	No under minimum wage payment.
1.C.84	Deductions from wages for in-kind benefits are in accordance with national law or collective bargaining agreements. There are no deductions from wages for disciplinary purposes.
1.C.85	Work of equal value is remunerated with equal pay without discrimination e.g., on gender or type of worker.
1.C.86	National law on social insurance contributions and paid holidays are respected.
1.C.87	Workers receive wages at least monthly, together with a written payslip. Payroll records are kept.
1.C.88	Workers who are employed for more than 3 months have written employment contracts.
1.C.89	Workers are not subject to benefits or discrimination in hiring, remuneration, access to training, opportunities, or termination, on the basis of gender, race, caste, ethnicity, nationality, color, type of worker (permanent, temporary or migrant), sexual orientation, union membership, marital status, disability, age, religion, political opinion, or other.
1.C.90 **1.C.91**	Workers are not subject to corporal punishment, sexual harassment, oppression, coercion or any other kind of mental or physical abuse or intimidation at the workplace. Equal participation of disadvantaged groups is encouraged, particularly with respect to recruitment, staff, and committee membership.
1.C.92	Workers and their families living on-site can freely express elements of their cultural identity, such as clothing, music, language, food, and celebrations. Areas of social, cultural or religious significance are clearly identified, delineated, and preserved on the farm.

1.C.93 **1.C.94**	Workers receive maternity rights and benefits in accordance with national law and practice. Workers can return to their job after maternity leave on the same terms and conditions and without discrimination, loss of seniority, or deduction of wages. Workers living on-site have access to convenient and affordable day care services for their children. A room for breast feeding is available.
	Health and Safety Workers
1.C.95	Workers receive first aid services and emergency health care, both free of charge, for treatment of work related injuries. First aid boxes are placed at central locations of production, processing, and maintenance sites.
1.C.96	Workers and their families living on-site have access to primary health care, including maternal health care.
1.C.97	A clear and written accident and emergency procedure is in place. The procedure is visually displayed at all central locations.
1.C.98 **1.C.99**	There are clear and permanent warning signs at central locations to indicate potential hazards. Machines have clear instructions on safe usage and their dangerous parts are guarded or encased. Special provisions are taken for workers with a disability to safeguard their health and safety in the workplace.
1.C.100	Workers who handle pesticides use personal protective equipment (PPE) and protective clothing that is prescribed for the pesticide used and its method of application.
1.C.101	Workers who are under 18 years, or pregnant or breastfeeding do not handle pesticides.
1.C.102	Workers who regularly handle hazardous pesticides undergo annual health checks.
1.C.103	Workers who handle pesticides have access to changing and shower facilities.
1.C.104	Workers have access to safe drinking water.
1.C.105	Workers receive instructions on basic hygiene. Hygiene instructions are visibly displayed at central locations.
1.C.106	There are toilets and hand washing places on production, processing, and maintenance sites.
1.C.107	Communal eating areas are clean, well maintained, and, as much as possible, free of pests.
1.C.108 **1.C.109**	Workers living on-site have clean and safe living quarters. Special attention is given to hygienic sanitation, safe drinking water, clean cooking and eating areas, ventilation, protection against weather conditions, and safe storage of personal items. If food is provided to the workers, nutritional value and affordability are considered.

Source: UTZ (Checklist-for-Individual-and /or group Code_v1.1_2017).

Appendix 3: Background Information on Sample Selected Coffee Exporters

All the four sample selected certified coffee exporters namely Kerchanshe Trading PLC, Aklilu kassa Chirrissa (Nardos Coffee Export), Bebeka Coffee Estate SC and Ibrahim Hussein Coffee producer and export owned by group famers exporter and private investors.

Kerchanshe Trading PLC is one the top coffee exporter in the country, the head quarter is located in Addis Ababa, Ethiopia. The company is in the coffee exporting business for about 15 years. Currently comprised of 7159 UTZ certified smallholder coffee farmers with hector of 8889, the famers operating in west Guji, about 471.1 km to southwest of Addis Ababa. Besides UTZ standard, the union also certified for Rainforest Alliance, Fair-Trade, Organic (EU, NOP and JAS) and Café practice which all are operational for over three years.

Aklilu kassa Chirrissa (Nardos Coffee Export), the head quarter is located in Addis Ababa, Ethiopia. The exporter is in the coffee exporting business for about 24 years. The number of out growers are 2069 with a total coffee areas of 3686.7 ha, located in west Guji , about 471.1 km to southwest of Addis Ababa. All are UTZ, RFA, Café Practice and Organic (EU, NOP, and JAZ) certified which all are operational for over three years.

Bebeka Coffee Estate Share Company, the head quarter is located in Addis Ababa, Ethiopia. The farm is located in the Southern region, in the Bench Maji Zone, South Bench and Guraferda Weredas, about 595km to the South West of Addis Ababa. The exporters is in the coffee growing business for about 37 years with a total of 5454.76 ha, out of the total the 4950.00 hectare is covered by UTZ certified areas. The farm is also certified for RA, 4C and Organic Korea certifications which all are operational for over three years.

Ibrahim Hussein Coffee producer and exporter, the head quarter is located in Addis Ababa, Ethiopia. The exporter is in the coffee exporting business for about 30 years with a total coffee area of 426.5 hectares which is certified as UTZ. Additionally, the exporter is certified for RA, 4C and Organic (EU,NOP and JAS) certifications which all are operational for over three years.

Sr. No.	Member Name	Member ID	Farm Type	Location
1	Aklilu kassa Chirrissa (Nardos Coffee Export)	ME01_10873	Smallholder Group farmers	South west
2	Ethio Agri Ceft Gemadro Coffee Plantation	ME01_7500	Commercial farms	South west
3	Ethiogabana Trading P.L.C	ME01_12284	Smallholder farmers (Group)	South west
4	Bebeka Coffee Estate SC	ME01_7477	Commercial farms	South west
5	Dawi Agro Industry Plc	ME01_10262	Commercial farm	South west
6	Fahem General Trading P.L.C. (Kentri out-growers)	ME01_10893	Smallholder farmers (Group)	South west
7	Fahem General Trading PLC out-growers	ME01_10778	Smallholder farmers (Group)	South west
8	Green Coffee Agro-Industry	ME01_7737	Commercial farms	South west
9	KERCHANSHE TRADING PLC	ME01_10415	Smallholder farmers (Group	South west
10	Limmu Coffee Farm	ME01_9013	Commercial farm	South west
11	Michael Girma Coffee processing	ME01_15723	Smallholder Group farmers	South west
12	Romina Plc	ME01_15724	Smallholder Group farmers	South west
13	Ibrahim Hussein Coffee producer and exporter	ME01_9048	Commercial farm	South west

Source: From standard owner (UTZ) and Member's respective website.

Appendix 4: Questionnaire

Note: This Questioner is only for Coffee Exporters under Individual /commercial coffee farms

Kindly tick [√] your answer in the appropriate box or respond by writing if required.

PART 1: Profile of Respondents and General Information of Certified coffee exporter

(A) Profile of Respondents

1. Age: 18- 25 [ ] 26-35 [ ] 36- 45 [ ] > 46 [ ]

2. Gender:

Male [ ] Female [ ]

3. Academic Level

Certificate [ ] Diploma [ ] Degree [ ] Masters [ ]

other specify_____

4. Total year of experience in the company? 1-3 [ ] 4-6 [ ] 7-10 [ ] above 11 years [ ]

5. Your current position in organization

(A) Farm manger /group administrator [ ] (B) Processing manager [ ] (C) Marketing /Sales manager

(D) Quality Control [ ] (E) Certification [ ] (F) Human resource personnel [ ]

(G) Store manager/ Machine operator [ ] other _____

6. Have you ever been trained on UTZ coffee certification(other coffee certification program)??

Yes [ ] No [ ]

7. Have you ever participated in any of a workshop regarding UTZ coffee certification?

Yes [ ] No [ ]

(A) General Information of Certified Coffee Exporter

8 Name of certified coffee exporter _

9. What other certification dose the farms have beside UTZ certification .check all that apply.

4C [ ] Fair-trade [ ] Café Practice [ ]

Rainforest Alliance [ ] Other _____

10. How old is your organization as UTZ certified coffee Exporter ? _

-

3 year [ ] 4 year [ ] >=5 years [ ]

11. Total coffee areas (hector) _____UTZ coffee certified areas (hector)_____

(You may jump over this question, if you are not sure of it.)

Note: This Questioner is only for group farms /Multi Group Certification Option.

Kindly tick [√] your answer in the appropriate box or respond by writing if required.

PART 1: Profile of Respondents and General Information of Certified Coffee Exporters

(A) Profile of Respondents

1. Age: 18- 25 [ ] 26-35 [ ] 36- 45 [ ] > 46 [ ]

2. Gender:
Male [ ] Female [ ]

3. Academic Level

Certificate [ ] Diploma [ ] Degree [ ]

Masters [ ]
other specify_____

4. Total year of experience in the company? 1-3 [ ] 4-6 [ ] 7-10 [ ]

above 11 years [ ]

5. Your current position in organization

A). Farm manger /group administrator [ ] (B) Processing manager [ ] (C) Marketing /Sales manager

(D) Quality Control [ ] (E) Certification [ ] (F) Human resource personnel [ ]

(G) Store manager/ Machine operator [ ] other _____

(B) General Information of Certified Coffee Exporters

6. Name of certified coffee exporter _____

7. Number of UTZ certified Smallholder farmers;(#)_____and total certified areas (hector) _____

(you may jump over this question, if you are not sure of it.)

8. What other Certification dose the farms have beside UTZ certification .check all that apply

4C [ ] Fair-trade [ ] Café Practice [ ]

Rainforest Alliance [ ] Other _____

9. How old is your organization as UTZ certified coffee Exporter? _

3 year [ ] 4 years [ ] >=5 years [ ]

10. Have you ever been trained on UTZ coffee certification (other coffee certification program)?

Yes [ ] No [ ]

11. Have you ever participated in any of a workshop regarding UTZ coffee certification?

Yes [ ] No [ ]

12. Are they farmers who were excluded from UTZ certification due to major non compliances on the mandatory criteria of working and living-condition Since fist UTZ certification up to 2020?
(You may jump over this question, if you are not sure of it)

Yes [ ] Specify the number of farmers_____ No [ ]

PART 2: Frequently Existed Noncompliance and Possible Actual Causes under Working and Living Condition Sustainability Pillar of the UTZ Coffee Certification

Kindly rate how strongly you agree to disagree with each of the following statements by circling the appropriate number in the box.

Use scale of 1 to 5 where 1 is strongly disagree (SD), 2 is disagree (D), 3 is neutral (N), 4 is agree (A) and **5** is strongly agree **(SA).**

Possible actual causes (items) for existed Mandatory or critical criteria Noncompliance

Lack of sustainability on meeting legal regular working hours, rest days, record keeping on this regard and provision of written pay slip.	**SD (1)**	**D (2)**	**N (3)**	**A (4)**	**SA (5)**
1. Lack of field follow up inspection by **certification body(certification schemes)** after non-conformity closure					
2. Lack of regular **training** and **monitoring** by management (internal management / internal management system) on provision of pay slip and workers right(including working hours and employment condition) and proper documentation in this regard					
3. Week initial certification audit by the **certification body(certification schemes)** prior to actual audit					
4. The self and risk assessment conducted and corrective action for closing gaps taken only to full fill the document requirement for certification					
5. Price volatility of coffee (certified coffee) affect the financial capability of producers and exporters to meet the certification requirements					
A. Deductions from wages for disciplinary purposes and Lack of sustainability on meeting minimum wage	SD (1)	D (2)	N (3)	A (4)	SA (5)
6. This requirement of the **standard** deviate with the national law on wage deductions for disciplinary measures.					
7. Continuing silence of **government institution or government official** on determining private national minimum wage.					
8. Overlooking of the exporting sector to put into effect the government to set national minimum wage.					
9. Lack of field follow up inspection by **certification body(certification schemes)** after non-conformity closure					
10. The self and risk assessment conducted and corrective action for closing gaps taken only to full fill the document requirement for certification					
11. Price volatility of coffee (certified coffee) affect the financial capability of producers **of clear and written accident and emergency procedures and permanent warning sign** and exporters to meet the certification requirements					
B. Non availability / lack and fire extinguisher at the central location	SD (1)	D (2)	N (3)	A (4)	SA (5)
12. Lack of effective training , monitoring and follow up on proper implementation of emergency procedure display and warning Signs by internal management / internal management system					
13. Price volatility of coffee (certified coffee) affect the financial capability of producers and exporters to meet the certification requirements					
14. Lack of field follow up inspection by **certification body(certification schemes)** after non-conformity closure					
15. The self and risk assessment conducted and corrective action for closing gaps taken only to full fill the document requirement for certification					
C. Non availability / lack of provision of Personal protective equipment (PPE) and first aid services for treatment of work related injuries and fire extinguisher	S D (1)	D (2)	N (3)	A (4)	S A (5)
16. Lack of regular monitory and continues training on proper use of PPE and provision of first aide service by **management (** internal management / internal management system)					
17. conducting the self and risk assessment and corrective action are only to full fill the document requirement for certification					
18. Lack of field follow up inspection by **certification body (certification schemes)** after non-conformity closure					

19. Price volatility of coffee (certified coffee) affect the financial capability of producers and exporters to meet the certification requirements					
D. Lack of prevention, monitoring child labor and documentation on this regards.	SD (1)	D (2)	N (3)	A (4)	SA (5)
20. The self and risk assessment conducted and corrective action for closing gaps taken only to full fill the document requirement for certification					
21. Lack of field follow up inspection by **certification body(certification schemes)** after non-conformity closure					
22. No **strict control** done by appointed **community based** child labor liaisons					
23. week initial certification audit by the certification body prior to actual audit					
24. Insufficient regular monitoring and lack of follow up by human resource authority of the **management (**internal management system)					
25. Lack of attention given by the farmer /farm manger during farm activities (especially peak season)					
E. Lack of or no actions are taken to encourage school attendance of children of certified entities (certified member's group/management staffs, workers living on farms or workers of farmers)	SD (1)	D (2)	N (3)	A (4)	SA (5)
26. Lack of interest to attend school by children as they are encountered on their family affair and community also give little attention for school attainment.					
27. No attention given **by** management / internal management system					
28. The self and risk assessment conducted and corrective action for closing gaps taken only to full fill the document requirement for certification					
29. Price volatility of coffee (certified coffee) affect the financial capability of producers and exporters to meet the certification requirements					
30. Lack of Government (local institutions)support					
31. The UTZ standard lees strict on this control point on year 1 and 2					
Lack of assuring sanitary facilities and the hygiene instruction are not sufficiently displayed at the central location (production, processing areas etc.).	SD (1)	D (2)	N (3)	A (4)	SA (5)
32. Lack of sufficient Training and Poor self-assessment performance on personal hygiene personal hygiene personal hygiene					
33. lack of attention on the proportionality gap proportionality gap between the number of workers and existing sanitary facility.					
34. Price volatility of coffee (certified coffee) affect the financial capability of producers and exporters to meet the certification requirements					
35. The self and risk assessment conducted and corrective action for closing gaps taken only to full fill the document requirement for certification					
36. Lack of field follow up inspection by **certification body(certification schemes)** after non-conformity closure					
PART-3 Working and Living Conditions Non Compliances Please state your level of opinion for the causes that affect the working and living conditions criteria compliance by using the following rating scales: Please tick and fill in the table below. Each scale represents the following rating: 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree					
Items	SD (1)	D (2)	N (3)	A (4)	SA (5)
37. The items which stated on section "(A)" above are the causes that affected the working and living conditions criteria compliance					
38. The items which stated on section "(B)" above are the causes that affected the working and living conditions criteria compliance					
39. The items which stated on section "(C)" above are the causes that affected the working and living conditions criteria compliance					
40. The items which stated on section "(D)" above are the causes that affected the working and living conditions criteria compliance					

41. The items which stated on section "(E)" above are the causes that affected the working and living conditions criteria compliance					
42. The items which stated on section "(F)" above are the causes that affected the working and living conditions criteria compliance					
43. The items which stated on section "(G)" above are the causes that affected the working and living conditions criteria compliance					

PART 4

1) What other causes based root cause analysis for frequently occurrence of the implementation gaps that you have identified listed from **A** to **G** above please list down**;**_____

_____

_____2) To what extent the nonconformities stated from **''A"** to **''G"** regarding working and living condition criteria's affect certificate achievement during 2017-2020 ? Kindly tick [√] your answer in the appropriate box below and respond by writing if required.

A) Decertification

YES [ ] , please, specify the frequency of occurrence _____ NO [ ]

B) Non- certification

YES [ ], please, specify the frequency of occurrence _____ NO [ ]

C) Extra cost for closing the gaps

YES [ ] NO [ ]

D) Delay with the certificate

YES [ ] NO [ ]

E) Other YES [ ] NO [ ]

_____

_____

_____

4). In your opinion, what do you think the possible solution in order to get full compliance or sustainable compliance with working and living condition/ Social criteria? _____

_____